

STATE OF INDIANA ) BEFORE THE INDIANA  
                  ) SS:  
COUNTY OF MARION ) COMMISSIONER OF INSURANCE  
  
IN THE MATTER OF:         WARRANT NUMBER: IDOI-MC07- 0627-041

Midwest Insurance Group, Inc.                   )  
    a Risk Retention Group                        )  
14362 N. Frank Lloyd Wright Blvd.            )  
Suite 1000                                        )  
Scottsdale, Arizona 85260                        )  
                                                      )  
NAIC ID: 11999                                    )  
                                                      )  
Market Conduct Examination                        )

**FILED**

JUL 06 2009

**STATE OF INDIANA  
DEPT. OF INSURANCE**

AMENDED FINAL ORDER

This Amended Final Order is filed pursuant to Ind. Code § 27-1-3.1-12 and results from the State of Indiana Insurance Commissioner's (hereinafter referred to as "Commissioner") consideration and review of the examination report and all written submissions and rebuttals regarding the market conduct examination of Midwest Insurance Group, Incorporated, a Risk Retention Group ("Midwest"), a foreign risk retention group authorized to conduct business in the State of Indiana during all relevant times herein.

Based upon the foregoing, the Commissioner now makes the following Findings of Fact, Conclusions of Law, and Amended Final Order.

FINDINGS OF FACT

1. The Indiana Department of Insurance executed an examination warrant to examine Midwest. ("Examination Warrant;" attached hereto as "Exhibit 1"). The examination warrant appointed an independent examiner to review Midwest's Patient's Compensation Fund ("PCF") surcharge contributions and instructed that the scope of the examination would include a review of all policies written between September 1, 2004, and September 30, 2006.

2. On December 12, 2008, the Consumer Protection Unit of the Indiana Department of Insurance (“Department”) received the verified report of the examiner in this market conduct examination. (“Report;” attached hereto as “Exhibit 2” and incorporated by reference herein). The Report was forwarded to Midwest on January 8, 2009, affording Midwest a reasonable opportunity to make a written submission or rebuttal with respect to all matters contained in the Report.

3. On February 19, 2009, Midwest filed its written rebuttal (“Midwest Rebuttal;” attached hereto as “Exhibit 3” and incorporated by reference herein) with the Department.

4. The findings of the Report are as follows:

a. Midwest underwrote a long-term care program administered by Caitlin Morgan Insurance Services for professional and general liability coverage. (Report p. 1).

b. The examiners examined the surcharges remitted to the PCF by Midwest on policies written between September 1, 2004 and September 30, 2006 totaling one million nine hundred thousand dollars (\$1,900,000.00). (Report p. 8).

c. Midwest did not include several items as part of the general and professional liability premium when calculating the appropriate PCF surcharge amount. (Report p. 8).

d. Midwest applied a proportionality ratio factor of ten percent to fifteen percent (10% - 15%) to premiums received for professional liability coverage and a ratio factor of eighty five percent to ninety percent (85% - 90%) for general liability coverage in determining the surcharge submission to the PCF. (Report p. 10).

e. Midwest failed to apply a proportionality ratio factor of ninety percent (90%) to premiums received for professional liability coverage. (Report. P. 10).

f. Because of the inappropriate proportionality factor, the surcharges remitted by Midwest have fallen short of the amounts that should have been remitted by approximately ten million dollars (\$10,000,000.00). (Report p. 8).

5. Midwest's Rebuttal disputes that it should have applied a ratio factor of ninety percent (90%) to premiums received for professional liability coverage, and asserts that its risk to the PCF did not exceed the surcharge remitted. (Rebuttal p. 1, ¶ 3). The Commissioner finds this argument unpersuasive.

6. The findings of the Report demonstrate that Midwest poses an immediate financial risk to the PCF in that they have remitted insufficient surcharge amounts to the PCF.

7. Midwest's 2007 and 2008 Annual Statements ("Exhibit 4" & "Exhibit 5," respectively; attached and incorporated hereto), reflect that Midwest does not have enough assets to cover the reserves associated with all potential liabilities that are neither fronted by, nor reinsured with, an insurer, including amounts owed to the Department under this Amended Final Order, as required by 760 IAC 1-21-2.5(b), or is otherwise in a hazardous financial condition as that term is defined by Ind. Code § 27-7-10-4. Midwest's 2007 annual statement reports \$1,533,196.00 in surplus, and Midwest's 2008 annual statement reports \$1,417,828.00 in surplus.

8. On June 2, 2009, Commissioner Atterholt issued a Final Order on the Report (attached as "Exhibit 6").

9. Midwest, with agreement of the Department, moved to Stay the June 2, 2009, Final Order for the purpose of exploring an agreement resolving the issues raised in this matter.

10. On June 17, 2009, Commissioner James Atterholt granted an Order ("Exhibit 7" attached and incorporated hereto) staying the effect of the June 2, 2009, Final Order.

11. The Parties have been unable to reach a settlement acceptable to the Commissioner.

12. Midwest is aware of and understands its various rights in connection with the examination and Report, including the right to counsel, notice and appeal under Ind. Code §§ 27-1-3.1-10, 27-1-3.1-11, and 27-1-1-3.1-12. (“Department January 8, 2009 Letter” attached hereto as “Exhibit 8”).

#### CONCLUSIONS OF LAW

1. The Commissioner is a duly authorized and appointed official of the State of Indiana, having authority and responsibility for the enforcement of the insurance laws of this State.

2. The Commissioner has jurisdiction over this matter. Ind. Code §§ 27-1-1-1; 27-1-3.1 et seq.; 760 IAC 1-21-2.5(b).

3. The market conduct examination of Midwest was held in accordance with Indiana law. Ind. Code § 27-1-3.1 et seq.

4. The Commissioner may adopt the Report with or without modifications. Ind. Code § 27-1-3.1-11(1).

5. Midwest is responsible for contributing annual surcharges to the PCF for participating health care providers. Ind. Code § 34-18-6 et seq.

6. At the times subject to examination, the financial responsibility of Midwest's insured health care providers was based upon a percentage of the premiums paid by a health care provider to Midwest for medical professional malpractice liability insurance.

7. The surcharge remitted to the PCF on behalf of providers of long-term care for professional liability coverage should be calculated at: (a) one hundred percent (100%) of the cost of the primary premium until April 17, 2005, and (b) one hundred ten percent (110%) from April 17, 2005 to March 4, 2007, for the provider. 760 IAC § 1-21-8(a).

8. The surcharge set by the Commissioner may not exceed the risk posed to the PCF. Ind. Code § 34-18-5-1(d).

9. The surcharge risk determination is based upon an actuarial program used or created by the Department. Ind. Code § 34-18-5-2(a).

10. The surcharges remitted by Midwest have fallen short of the amounts that should have been remitted by approximately ten million dollars (\$10,000,000.00) which is a violation of 760 IAC § 1-21-8(a).

11. Midwest's continued operation in a hazardous financial condition is a prohibited act pursuant to Ind. Code § 27-7-10-19.

12. The Commissioner has the authority to order Midwest to take any action the Commissioner considers necessary and appropriate because the report reveals that Midwest is operating in violation of Indiana law. Ind. Code § 27-1-3.1-11(b).

13. The Findings of Fact and Conclusions of Law made pursuant to an examination are *prima facie* evidence in any regulatory action. Ind. Code § 27-1-3.1-9(e).

14. Any order issued pursuant to Ind. Code §§ 27-1-3.1 et seq. is a final administrative decision which is appealable under Ind. Code §§ 4-21.5-5 et seq.

15. The Commissioner may issue an order to the board of directors of Midwest directing the restoration of impairment to the capital or the surplus funds because Midwest's

capital or surplus funds are impaired or reduced below the amount required by law. Ind. Code § 27-1-3-19(a).

16. The Commissioner may issue an order to the board of directors of Midwest directing that Midwest discontinue all unauthorized and unsafe practices because Midwest's assets and surplus are insufficient to cover all potential liabilities which is an unauthorized and unsafe business practice. Ind. Code § 27-1-3-19(a).

17. Findings of Fact that can be adopted as Conclusions of Law are hereby incorporated as such.

ORDER

IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. The Report of the examiner, along with the Rebuttal, shall be and are hereby adopted as filed and incorporated herein.

2. Midwest shall immediately remit the sum of ten million dollars (\$10,000,000.00) to the Indiana Department of Insurance.

3. Midwest shall immediately restore any and all impairment to its capital or surplus funds.

4. Effective August 6, 2009, Midwest shall cease writing all business in the state of Indiana until such capital or surplus has been restored, or otherwise surrender its rights to conduct business in the State of Indiana. Proof of restoration of capital and surplus must be submitted to the Department prior to Midwest resuming the writing of all business.

5. Pursuant to Ind. Code § 27-1-3.1-11, failure to comply with the terms of this Amended Final Order may subject Midwest to further legal and/or administrative action which could include revocation of its authority to conduct business in the State of Indiana.

6. This Amended Order is a Final Order subject to judicial review pursuant to Ind. Code § 4-21.5-5.

ALL OF WHICH IS ORDERED THIS 6<sup>th</sup> DAY OF July, 2009.

  
\_\_\_\_\_  
Carol Cutter

Carol Cutter, Commissioner of Insurance

Distribution to:

J. Mark McKinzie, Attorney for Midwest Insurance Group, Inc., a RRG Riley Bennett & Egloff, Fourth Floor, 141 E. Washington Street Indianapolis, IN 46204

Debra M. Webb, Attorney Consumer Protection Unit, Indiana Department of Insurance  
311 W. Washington Street, Suite 300 Indianapolis, IN 46204

Bryce Bennett, Riley Bennett & Egloff, Fourth Floor, 141 E. Washington Street Indianapolis, IN 46204

Christopher Murray, President of Midwest Insurance Group, Inc., a RRG, 14362 N. Frank Lloyd Wright, Blvd, Suite 1000, Scottsdale, AZ 85260

Christopher Murray, President of Midwest Insurance Group, Inc., a RRG, 11555 North Meridian Street, Suite 100, Carmel, IN 46032

STATE OF INDIANA ) BEFORE THE INDIANA  
                    ) COMMISSIONER OF INSURANCE  
COUNTY OF MARION )  
IN THE MATTER OF: WARRANT NUMBER: IDOI-MC07-0627-041

Midwest Insurance Group, Inc. )  
    a Risk Retention Group     )  
14362 N. Frank Lloyd Wright Blvd.     )  
Suite 1000     )  
Scottsdale, Arizona 85260     )  
NAIC ID: 11999     )  
Market Conduct Examination     )

**FILED**

JUL 02 2009

STATE OF INDIANA  
DEPT. OF INSURANCE

**ORDER VACATING JUNE 2, 2009 FINAL ORDER**

The Parties having moved the Commissioner to vacate the Final Order in this matter dated June 2, 2009, and the Commissioner, having examined said Motion and being duly advised in the premises, now finds that said Motion is meritorious and should be GRANTED.

IT IS, THEREFORE, ORDERED that the June 2, 2009, Final Order in this matter is hereby VACATED.

Dated:

*July 2, 2009*

*Carol Cutter*

Carol Cutter  
Commissioner  
Indiana Department of Insurance

Copies to:

Bryce H. Bennett, Jr., Riley Bennett & Egloff, LLP, Fourth Floor, 141 East Washington Street, Indianapolis, IN 46204

Debra M. Webb, Attorney, Market Regulation, Indiana Department of Insurance, Consumer Protection Unit, 311 West Washington Street, Suite 300, Indianapolis, IN 46204

STATE OF INDIANA ) BEFORE THE INDIANA  
                    ) COMMISSIONER OF INSURANCE  
COUNTY OF MARION )  
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Scottsdale, Arizona 85260             )  
NAIC ID: 11999                         )  
Market Conduct Examination             )

**FILED**

JUL 02 2009

STATE OF INDIANA  
DEPT. OF INSURANCE

**JOINT MOTION TO VACATE JUNE 2, 2009 FINAL ORDER**

Comes now the Consumer Protection Unit of the Indiana Department of Insurance, by Debra M. Webb, Attorney, Market Regulation, and Midwest Insurance Group, Inc., by Bryce Bennett, Attorney for Midwest Insurance Group, Inc., a risk Retention Group and jointly move the Commissioner to vacate the Final Order in this matter dated June 2, 2009, and, in support thereof, show the Commissioner as follows:

1. On June 2, 2009, James Atterholt, Commissioner of the Indiana Department of Insurance, issued the Final Order, attached hereto as Exhibit "A".

2. On June 17, 2009, Midwest Insurance Group, an RRG ("Midwest"), with the knowledge and agreement of the Consumer Protection Unit of the Indiana Department of Insurance, moved the Commissioner to stay the effect of the Final Order for the purpose of exploring an agreement to resolve the issues raised in this matter.

3. The June 17, 2009, Motion to Stay stated:

If an agreed settlement of this matter is not reached by July 2, 2009, the Parties understand and agree that the Indiana Department of Insurance will vacate and amend the June 2, 2009 Order . . .

4. Because the statutory thirty (30) day time limit to petition for review of an administrative determination is jurisdictional, the June 2, 2009, Final Order against Midwest must be vacated to ensure that the parties' agreement to extend the deadline for filing a Petition for Judicial Review through and including August 2, 2009, is effectuated.

WHEREFORE, the Parties move the Commissioner for an Order vacating the June 2, 2009, Final Order, and for all other relief just and proper in the premises.

INDIANA DEPARTMENT OF INSURANCE  
CONSUMER PROTECTION UNIT

Debra M. Webb  
Debra M. Webb  
Attorney, Market Regulation

311 West Washington Street  
Suite 300  
Indianapolis, IN 46204  
(317) 232-2385  
(317) 232-5251 (Fax)

RILEY BENNETT & EGLOFF,LLP

Bryce H. Bennett, Jr.  
Bryce H. Bennett, Jr.  
Riley Bennett & Egloff

Fourth Floor  
141 East Washington Street  
Indianapolis, IN 46204  
317-636-8000

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing *Joint Motion to Vacate June 2, 2009, Final Order* has been served on this 2<sup>nd</sup> day of July, 2009, via First Class United States Mail, postage prepaid, upon:

Bryce H. Bennett, Jr.  
Riley Bennett & Egloff, LLP  
Fourth Floor  
141 East Washington Street  
Indianapolis, IN 46204

Debra M. Webb  
Debra M. Webb

STATE OF INDIANA ) BEFORE THE INDIANA  
 ) SS:  
COUNTY OF MARION ) COMMISSIONER OF INSURANCE  
  
IN THE MATTER OF: WARRANT NUMBER: IDOI-MC07- 0627-041

Midwest Insurance Group, Inc. )  
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14362 N. Frank Lloyd Wright Blvd. )  
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NAIC ID: 11999 )  
Market Conduct Examination )

FILED  
JUL 02 2009  
STATE OF INDIANA  
DEPT. OF INSURANCE

FINAL ORDER

This Final Order is filed pursuant to Indiana Code section 27-1-3.1-12 and results from the State of Indiana insurance Commissioner's (hereinafter referred to as "Commissioner") consideration and review of the examination report and all written submissions and rebuttals regarding the market conduct examination of Midwest Insurance Group, Incorporated, a Risk Retention Group ("Midwest"), a foreign risk retention group authorized to conduct business in the State of Indiana during all relevant times herein.

Based upon the foregoing, the Commissioner now makes the following Findings of Fact, Conclusions of Law, and Final Order.

FINDINGS OF FACT

1. The Indiana Department of Insurance executed an examination warrant to examine Midwest. ("Examination Warrant;" attached hereto as "Exhibit A"). The examination warrant appointed an independent examiner to review Midwest's Patient's Compensation Fund ("PCF") surcharge contributions and instructed that the scope of the examination would include a review of all policies written between September 1, 2004, and September 30, 2006.

EXHIBIT  
A

2. On December 12, 2008, the Consumer Protection Unit of the Indiana Department of Insurance (“Department”) received the verified report of the examiner in this market conduct examination (“Report;” attached hereto as “Exhibit B” and incorporated by reference herein). The Report was forwarded to Midwest on January 8, 2009, affording Midwest a reasonable opportunity to make a written submission or rebuttal with respect to all matters contained in the Report.

3. On February 19, 2009, Midwest filed its written rebuttal (“Midwest Rebuttal;” attached hereto as “Exhibit C” and incorporated by reference herein) with the Department.

---

4. The findings of the Report are as follows:

a. Midwest underwrote a long-term care program administered by Caitlin Morgan Insurance Services for professional and general liability coverage. (Report p. 1)

b. The examiners examined the surcharges remitted to the PCF by Midwest on policies written between September 1, 2004 and September 30, 2006 totaling one million nine hundred thousand dollars (\$1,900,000.00). (Report p. 8).

c. Midwest did not include several items as part of the general and professional liability premium when calculating the appropriate PCF surcharge amount. (Report p: 8).

d. Midwest applied a proportionality ratio factor of ten percent to fifteen percent (10% - 15%) to premiums received for professional liability coverage and a ratio factor of ninety percent to eighty five percent (90% - 85%) for general liability coverage in determining the surcharge submission to the PCF. (Report p. 10).

e. Midwest failed to apply a proportionality ratio factor of ninety percent (90%) to premiums received for professional liability coverage. (Report. P. 10).

f. Because of the inappropriate proportionality factor, the surcharges remitted by Midwest have fallen short of the amounts that should have been remitted by approximately ten million dollars (\$10,000,000.00). (Report p. 8).

5. Midwest's Rebuttal disputes that it should have applied a ratio factor of ninety percent (90%) to premiums received for professional liability coverage, and asserts that its risk to the PCF did not exceed the surcharge remitted. (Rebuttal p. 1, ¶ 3). The Commissioner finds this argument unpersuasive.

6. The findings of the Report demonstrate that Midwest poses an immediate financial risk to the PCF in that they have remitted insufficient surcharge amounts to the PCF.

7. Midwest's 2007 and 2008 Annual Statements ("Exhibit D" & "Exhibit E," respectively; attached and incorporated hereto), reflect that Midwest does not have enough assets to cover the reserves associated with all potential liabilities that are neither fronted by, nor reinsured with, an insurer, including amounts owed to the Department under this Final Order, as required by 760 IAC 1-21-2.5(b), or is otherwise in a hazardous financial condition as that term is defined by Indiana Code section 27-7-10-4. Midwest's 2007 annual statement reports \$1,533,196.00 in surplus, and Midwest's 2008 annual statement reports \$1,417,828.00 in surplus.

8. Midwest is aware of and understands its various rights in connection with the examination and Report, including the right to counsel, notice, hearing and appeal under Indiana Code §§ 27-1-3.1-10, 27-1-3.1-11, and 27-1-1-3.1-12. ("Department January 8, 2009 Letter" attached hereto as "Exhibit G").

## CONCLUSIONS OF LAW

1. The Commissioner is a duly authorized and appointed official of the State of Indiana, having authority and responsibility for the enforcement of the insurance laws of this State.
2. The Commissioner has jurisdiction over this matter. Ind. Code §§ 27-1-1-1; 27-1-3.1 et seq.; 760 IAC 1-21-2.5(b).
3. The market conduct examination of Midwest was held in accordance with Indiana law. Ind. Code § 27-1-3.1 et seq.

---

4. The Commissioner may adopt the Report with or without modifications. Ind. Code § 27-1-3.1-11(1).
5. Midwest is responsible for contributing annual surcharges to the PCF for participating health care providers. Ind. Code § 34-18-6 et seq.
6. At the times subject to examination, the financial responsibility of Midwest's insured health care providers was based upon a percentage of the premiums paid by a health care provider to Midwest for medical professional malpractice liability insurance.
7. The surcharge remitted to the PCF on behalf of providers of long-term care for professional liability coverage should be calculated at: (a) one hundred percent (100%) of the cost of the primary premium until April 17, 2005, and (b) one hundred ten percent (110%) from April 17, 2005 to March 4, 2007, for the provider. 760 IAC § 1-21-8(a).
8. The surcharge set by the Commissioner may not exceed the risk posed to the PCF. Ind. Code § 34-18-5-1(d).
9. The surcharge risk determination is based upon an actuarial program used or created by the Department. Ind. Code § 34-18-5-2(a).

10. The surcharges remitted by Midwest have fallen short of the amounts that should have been remitted by approximately ten million dollars (\$10,000,000.00) which is a violation of 760 IAC § 1-21-8(a).

11. Midwest's continued operation in a hazardous financial condition is a prohibited act pursuant to Indiana Code section 27-7-10-19.

12. The Commissioner has the authority to order Midwest to take any action the Commissioner considers necessary and appropriate because the report reveals that Midwest is operating in violation of Indiana law. Ind. Code § 27-1-3.1-11(b).

---

13. The Findings of Fact and Conclusions of Law made pursuant to an examination are prima facie evidence in any regulatory action. Ind. Code § 27-1-3.1-9(e).

14. Any order issued pursuant to Indiana Code sections 27-1-3.1 et seq. is a final administrative decision which is appealable under Indiana Code sections 4-21.5-5 et seq.

15. The Commissioner may issue an order to the board of directors of Midwest directing the restoration of impairment to the capital or the surplus funds because Midwest's capital or surplus funds are impaired or reduced below the amount required by law. Ind. Code § 27-1-3-19(a).

16. The Commissioner may issue an order to the board of directors of Midwest directing that Midwest discontinue all unauthorized and unsafe practices because Midwest's assets and surplus are insufficient to cover all potential liabilities which is an unauthorized and unsafe business practice. Ind. Code § 27-1-3-19(a).

17. Midwest must restore the impairment to its capital or surplus funds and cease from engaging in unauthorized and unsafe business practices within thirty (30) days of this Final

Order otherwise the Commissioner may bring an action against Midwest to compel compliance with this Final Order. Ind. Code § 27-1-3-19(b).

18. Findings of Fact that can be adopted as Conclusions of Law are hereby incorporated as such.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Commissioner of Insurance:

1. The Report of the examiner, along with the Rebuttal, shall be and are hereby adopted as filed and incorporated herein.

2. Midwest shall immediately remit the sum of ten million dollars (\$10,000,000.00) to the Indiana Department of Insurance.

3. Midwest shall immediately restore any and all impairment to its capital or surplus funds.

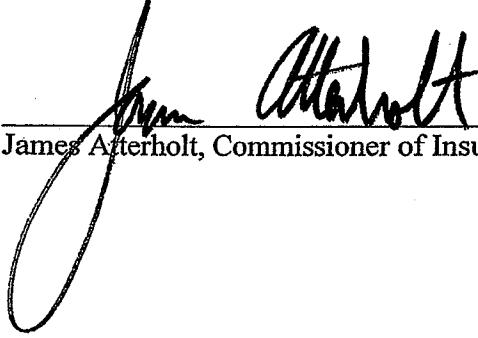
4. Midwest shall cease writing new business in the state of Indiana until such capital or surplus has been restored or otherwise surrender its rights to conduct business in the State of Indiana. Proof of restoration of capital and surplus must be submitted to the Department prior to Midwest resuming the writing of new business.

5. Pursuant to IC 27-1-3.1-11 failure to comply with the terms of this Order may subject Midwest to further legal and/or administrative action which could include revocation of its authority to conduct business in the State of Indiana.

6. A copy of this Order shall be delivered to the board of directors of Midwest pursuant to Indiana Code section 27-1-3-19(b).

7. This Order is a Final Order subject to judicial review pursuant to Indiana Code section 4-21.5-5.

ALL OF WHICH IS ORDERED THIS 2 DAY OF June, 2009.

  
James Afferholt, Commissioner of Insurance

Distribution to:

J. Mark McKinzie, Attorney for  
Midwest Insurance Group, Inc., a RRG  
Riley Bennett & Egloff  
Fourth Floor  
141 E. Washington Street  
Indianapolis, IN 46204

Debra M. Webb, Attorney  
Consumer Protection Unit  
Indiana Department of Insurance  
311 W. Washington Street, Suite 300  
Indianapolis, IN 46204

STATE OF INDIANA ) BEFORE THE INDIANA  
COUNTY OF MARION ) SS: COMMISSIONER OF INSURANCE  
IN THE MATTER OF: )  
Midwest Insurance Group, Inc. ) WARRANT NUMBER: MC IDOI-MC07-0627-0471  
a Risk Retention Group )  
14362 N. Frank Lloyd Wright Blvd. )  
Suite 1000 )  
Scottsdale, Arizona 85260 )  
Targeted Market Conduct Examination )

**FILED**

JUN 27 2007

STATE OF INDIANA  
DEPT. OF INSURANCE

**EXAMINATION WARRANT**

I, James Atterholt, Commissioner of the Indiana Department of Insurance, under authority of Indiana Code section 27-1-1-1 and pursuant to Indiana Code section 27-1-3.1-9, do hereby appoint Milliman Consultants and Actuaries, 15800 Bluemound Road, Suite 400, Brookfield, WI as examiner to perform a targeted market conduct examination of the following company authorized to conduct the business of insurance in the State of Indiana as a Registered Risk Retention Group:

Midwest Insurance Group, Inc., a Risk Retention Group, NAIC# 11999  
14362 N. Frank Lloyd Wright Blvd.  
Scottsdale, Arizona 85260

The examination shall review the underwriting practices of Midwest Insurance Group, Inc. a Risk Retention Group to determine whether it has adequately contributed surcharges to the Indiana Patient's Compensation Fund as defined in 760 IAC 1-21 or, engaged in unfair methods of competition or deceptive acts and practices, as defined in Indiana Code section 27-4-1-4, or violated any other of the insurance laws of the State of Indiana regarding the Patient's Compensation Fund. This Examination shall begin no

**EXHIBIT**

A

sooner than thirty (30) days after the date of this warrant. Although the scope of this examination is limited, the Commissioner reserves the right to expand this examination.

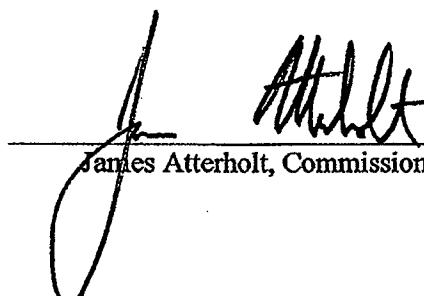
As provided in Indiana Code section 27-1-3.1-9(d), the expenses of the examination shall be borne by Midwest Insurance Group, Inc., a Risk Retention Group.

Examination Date: September 1, 2004 through September 30, 2006.

Commencement Date: August 1, 2007 through such time as necessary to complete the review.

---

**IN WITNESS WHEREOF**, I have hereunto subscribed my name and affixed my official seal at the city of Indianapolis, Indiana, on this 27 day of June, 2007.

  
James Atterholt, Commissioner of Insurance

Distribution to:

Christopher Scott Murray, President  
Midwest Insurance Group, Inc. a Risk Retention Group  
14362 Frank Lloyd Wright Blvd., Suite 1000  
Scottsdale, Arizona 85260

Debra M. Webb, Attorney  
Indiana Department of Insurance  
311 W. Washington Street, Suite 300  
Indianapolis, IN 46204

**INDIANA DEPARTMENT OF INSURANCE**

**MARKET CONDUCT EXAMINATION OF  
MIDWEST INSURANCE GROUP, INC.**

Prepared for: Debra Webb, R.N., Esq.  
Market Analysis Attorney

Submitted by: Chad C. Karls, FCAS, MAAA  
Principal and Consulting Actuary

Susan J. Forray, FCAS, MAAA  
Consulting Actuary

Milliman, Inc.  
Brookfield, Wisconsin  
(262) 784-2250

April 9, 2008

**EXHIBIT**

*B*

## **INDIANA DEPARTMENT OF INSURANCE**

### **MARKET CONDUCT EXAMINATION OF MIDWEST INSURANCE GROUP, INC.**

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## **INDIANA DEPARTMENT OF INSURANCE**

### **MARKET CONDUCT EXAMINATION OF MIDWEST INSURANCE GROUP, INC.**

#### **INTRODUCTION AND BACKGROUND**

---

Milliman was retained by the Indiana Department of Insurance (the Department) to perform a market conduct examination of Midwest Insurance Group, Inc. (Midwest; NAIC Company code number 11999) under warrant number IDOI-MC07-0627-041. Midwest is a risk retention group specializing in long-term care professional and general liability coverage, primarily within Indiana.

Within the State of Indiana, Midwest wrote a long-term care program that was administered by Caitlin Morgan Insurance Services (Caitlin Morgan). According to its website, Caitlin Morgan is an insurance brokerage firm that specializes in assisting Midwest-based independent agents place business and develop package programs for certain select industries. One of these select industries is the long-term care industry, for which Caitlin Morgan developed and administered the professional and general liability program that was underwritten by Midwest and is the focus of our examination.

Midwest is domiciled in the State of Arizona at the following address:

14362 N. Frank Lloyd Wright Boulevard, Suite 1000  
Scottsdale, Arizona 85260

### **SCOPE OF EXAMINATION**

The purpose of the examination is to review the surcharge payments remitted by Midwest to the Indiana Patients Compensation Fund (PCF) on behalf of its insureds to ensure compliance with 760 IAC 1-21. The scope of the examination includes policies written by Midwest between September 1, 2004 and September 30, 2006. Any potential error on the part of Midwest observed as part of the examination process has been included, regardless of whether it was a pattern error or part of general business practice.

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We have not reviewed the overall financial condition of Midwest and are not commenting on any of its financial statements, as such was outside the scope of our review.

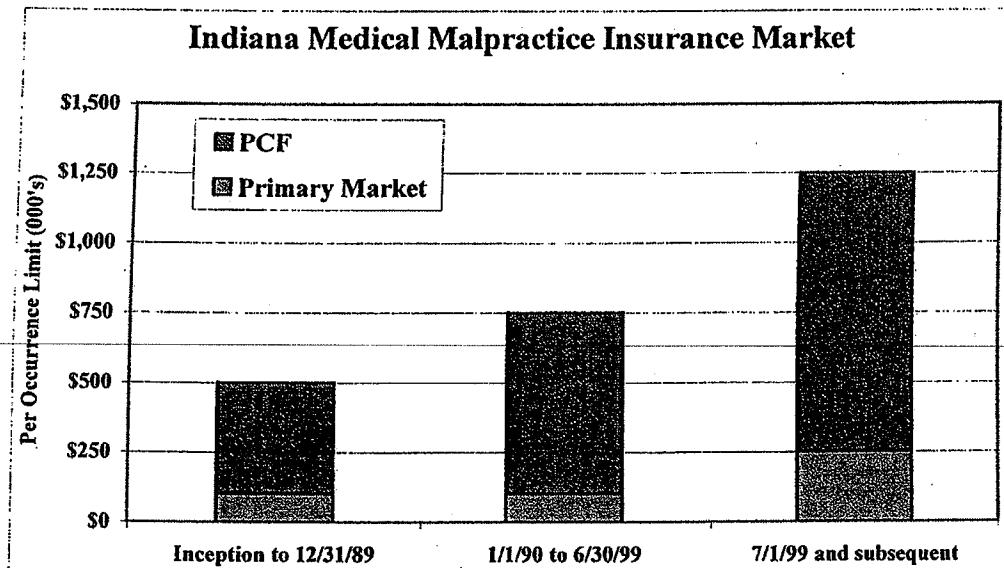
## **BACKGROUND ON THE PATIENTS COMPENSATION FUND**

The PCF provides excess medical professional liability coverage to health care providers, including both individual practitioners and institutions within Indiana. Since its creation in July of 1975, the purpose of the PCF has been to provide insurance protection to health care providers and compensation to patients involved in cases of medical negligence.

The Indiana medical malpractice market is different from most other states in two regards. First is the existence of the PCF, which functions as a state-run excess medical liability vehicle. Primary commercial insurers in Indiana provide coverage up to the threshold of the PCF. For claims with accident dates prior to July 1, 1999, the primary carrier provides coverage up to \$100,000 per occurrence. For claims occurring on or subsequent to this date, the primary carrier provides coverage up to \$250,000 per occurrence. There are only six other states that utilize a broad-based state-operated fund for the excess medical professional liability of their health care providers like Indiana.

The second aspect of the Indiana medical malpractice market that is different from most other states is the existence of a statutory cap on total damages (both economic and non-economic) that a claimant may receive for an act of medical negligence. The PCF provides coverage in the layer between that covered by the primary carriers and the statutory cap on total damages. For claims that occurred prior to January 1, 1990, the statutory cap on damages is \$500,000. The cap on damages was increased to \$750,000 for claims occurring between January 1, 1990 and June 30, 1999; it was further increased to \$1,250,000 for claims occurring on or after

July 1, 1999. The following graph provides a summary of the medical professional liability coverage structure in Indiana:



Participation in the PCF is not mandatory. However, it is our understanding that the vast majority of healthcare providers in Indiana do participate in the PCF. Further, the statutory cap on total damages only applies to those providers that participate in the PCF.

The PCF sets surcharge rates for physicians and hospitals based on physician specialties and occupied bed equivalencies. For all other healthcare providers in Indiana, including providers of long-term care, the surcharge amount is determined as a percentage of the premium paid by the provider for coverage in the primary layer<sup>1</sup>.

<sup>1</sup> Effective March 4, 2007, the surcharge amount for long-term care providers is no longer a percent of the primary premium, but is rather based on the number and type of long-term care beds at the insured facility.

For policies written prior to April 17, 2005, the surcharge to be remitted to the PCF was set at 100% of the primary premium. On and subsequent to April 17, 2005, the surcharge was increased to 110%.

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## **LONG-TERM CARE PCF SURCHARGES**

As discussed above, during the period of time included within the scope of our examination, the surcharge remitted to the PCF on behalf of providers of long-term care was calculated as a percentage of the primary premium for the provider. Specifically, 760 IAC 1-21-8(a) states:

*"The annual surcharge for an ancillary provider shall be one hundred ten percent (110%) of the cost to the ancillary provider for maintenance of financial responsibility."*

According to IC 34-18-4-1:

*"Financial responsibility of a health care provider ... may be established ... by the health care provider's insurance carrier filing with the commissioner proof that the health care provider is insured by a policy of malpractice liability insurance in the amount of at least two hundred fifty thousand dollars (\$250,000) per occurrence."*

However, there is some potential ambiguity in the practical application of the surcharge, due to differences in coverage provided by a typical primary policy and the PCF. For example:

- A typical long-term care liability policy provides both professional and general liability coverage. Such policies may also provide coverage for auto liability and other property and casualty exposures. The PCF provides only professional liability coverage;
  
- The primary premium often includes coverage for independent living beds, or beds that otherwise do not have any medical professional liability coverage associated with them. It is our understanding that the PCF would consequently provide no coverage for these beds since no health care is being provided; and

- The primary policy may reflect certain adjustments to exposure (and a corresponding increase or decrease in premium) that would not affect the exposure to loss within the PCF's layer of coverage. An example of such an adjustment would be a deductible, which would serve to decrease the primary-layer premium, but not affect the expected losses within the PCF's layer.

Thus, in calculating the PCF surcharge for a given provider, the Department may deem it appropriate to make the following adjustments to the provider's primary premium:

- Remove the general liability portion of the premium, so that only the professional liability portion of the premium remains;
- Remove the portion of the premium based on independent living beds, or other beds for which no health care is provided; and
- Any other adjustments, such as the removal of deductible credits, that would affect the exposure of the primary policy but not the coverage provided by the PCF.

## **RESULTS OF EXAMINATION**

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We have examined the surcharges remitted to the PCF by Midwest on policies written between September 1, 2004 and September 30, 2006. We understand from records provided by Midwest that it remitted approximately \$1.9 million to the PCF in surcharges for these policies. Using the relevant surcharge percentage corresponding to the policy period, along with the adjustments discussed in the prior section, we estimate that the surcharge should have been approximately \$11.8 million. In other words, we estimate that the surcharges remitted by Midwest have fallen short of the amounts that should have been remitted by approximately \$10.0 million.

### ***Calculation of Total Premium***

In calculating the amount of surcharge to be remitted to the PCF, it was necessary to first examine the amount of general liability and professional liability premium on each policy. Midwest did not include several items as part of the general and professional liability "premium", instead listing them as separate line items within the underwriting files. These include an IHCA discount, excess and surplus tax, membership or buying group fee, risk management credit or debit, IRPM/E&S credit or debit, deductible credit, inspection fee, installment fee, expense reduction credit, and agent or broker fee. We believe these items, with the exception of the membership or buying group fee, the installment fee<sup>2</sup>, and the deductible

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<sup>2</sup> Statement of Statutory Accounting Principles Number 53: Property Casualty Contracts – Premium (SSAP 53) states that, "written premium is defined as the contractually determined amount charged by the reporting entity to the policyholder for the effective period of the contract based on the expectation of risk, policy benefits, and expenses associated with the coverage provided by the terms of the insurance contract." [Paragraph 3].

SSAP 53 also states, "Flat fee service charges on installment premiums (fees charged to policyholders who pay premiums on an installment basis rather than in full at inception of contract) are reported in the Other Income section of the Underwriting and Investment Exhibit as Finance and Service Charges."

credit are typically included in the determination of a company's premium and, thus, should be included as a part of total premium for the purposes of calculating the PCF surcharge. The inclusion of these items increases the Midwest calculated premium of \$15.6 million to the Milliman calculated total first dollar annualized premium of approximately \$15.8 million, as shown on Exhibit 1. Based on the accounting guidance, it is unclear to us whether the membership or buying group fees should be included in the definition of premium. For purposes of our analysis, we have not included these costs in the Milliman calculated premium. If the Department deems it appropriate to include the membership or buying group fee as well, our report could be amended to reflect this change. This would increase the amount of the estimated shortfall cited above by approximately \$250,000.

It should be noted that a substantial number of policies were made effective on September 1, 2004, despite having been quoted with an earlier effective date. It is our understanding that, effective September 1, 2004, these policies were transferred to Midwest from a different program administered by Caitlin Morgan. Our calculation of the indicated PCF surcharges, as shown on Exhibit 2, accounts for the September 1<sup>st</sup> effective date for these policies.

#### ***Non-Nursing Beds***

As discussed in the section entitled Long-Term Care PCF Surcharges, the Department may deem it appropriate to require long-term care surcharges to be remitted only for those beds with professional liability exposure. Midwest classifies long-term care beds into three categories: skilled care, assisted living and independent living. Under these definitions, a reasonable

interpretation, and one that the Department has directed us to make in prior long-term care assignments, would be that health care is being provided and, thus, professional liability exposure exists, for skilled care and assisted living only. Midwest has remitted surcharges for all three bed types. Consequently, we have removed the independent living exposure in our calculation of PCF surcharges. Exhibit 3 details the derivation of our adjustment factor for these independent living beds.

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***Professional Liability Ratio***

As discussed in the section entitled Long-Term Care PCF Surcharges, a typical long-term care liability policy provides professional and general liability coverage. This is the case for each of the policies written in Indiana by Midwest. To remove the general liability portion of the premium, Midwest applied ratios that varied by policy. Midwest has applied a ratio between 10% and 15% to the majority of its policies to estimate the professional liability portion of the premium. For certain policies, Midwest applied a ratio outside this range. As shown on Exhibit 4, our analysis of various indications of the professional liability portion of the long-term care facility rate suggests that a ratio of 90% is appropriate. We rely on this selected ratio in our surcharge calculations given on Exhibit 2.

For comparison purposes only, we have recalculated the indicated surcharge using a professional liability ratio of 15%. All else equal, this would reduce the shortfall from \$10.0 million to less than \$130,000. This implies that the indicated shortfall depends heavily on the selected professional liability ratio and that the other adjustments noted in this section, which we believe to be necessary and reasonable, do not materially impact the indicated shortfall.

***Deductible Policies***

Midwest issued a few policies with deductibles. In calculating the premium upon which to apply the PCF surcharge percentage, we have grossed up the premium by these deductible credits in order to estimate the first dollar ground-up premium.

***Other Adjustments***

We did not make any other adjustments to Midwest's premium indications, nor the surcharge calculation.

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## **RECONCILIATION OF DATA**

As part of our review of the surcharges remitted by Midwest to the PCF, we have reconciled the premium data provided to us by Midwest with the Indiana written premium as given in its annual statement. The comparison of these premium values for 2005 is given on Exhibit 5.

For a small sampling of Midwest's policies, we have reconciled the bed counts provided by Midwest with bed counts available from Medicare. This provided a confirmation that the data provided to us by Midwest appeared reasonable. Note that certain small differences exist between the Midwest data and the Medicare data, presumably due to differences in Midwest's policy period and the Medicare evaluation date. This is shown on Exhibit 6.

Also, on Exhibit 7, we provide a comparison of the surcharges remitted as of November 20, 2007 for which either the Department or Midwest provided a record. Certain differences exist between the Department data and the Midwest data, and there appear to be some missing records from the data provided by the Department. In total, the difference is approximately \$265,000, whereby the records provided by Midwest show a higher amount of surcharge being remitted.

### **OTHER CONSIDERATIONS**

Several final points should be made. First, we have relied on the rate filings prepared by CNA and St. Paul without audit or independent verification. Also, data and other background information underlying our analysis have been provided to us by the Department without audit or independent verification, as such was beyond the scope of our analysis. If the data or information provided to us is inaccurate or incomplete, our analysis may likewise be inaccurate or incomplete.

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We performed a limited review of the above data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

We have performed the tests discussed within this report in the course of our analysis of Midwest's remitted surcharges. Other than the tests discussed herein, we have not audited the data provided to us by Midwest. In particular, we have relied on Midwest's Annual Statements and underwriting file data without audit or independent verification.

Lastly, this report has been prepared for the use of and is only to be relied upon by the Department. No portion of this report may be provided to any other party except as required by statute or regulations. In the event this report is provided to any other party, the report must be provided in its entirety. This report may not be filed with the SEC or other securities regulatory bodies. In the event Milliman's work is distributed to other parties due to statute or regulations, or by agreement of Milliman and the Department, Milliman requires that its work be distributed in its entirety, and that any recipient be advised to have its own actuary review the work. Milliman does not intend to benefit any third party recipient of its work product or create any legal duty from Milliman to a third party even if Milliman consents to the release of its work product to such third party.

**CLOSING**

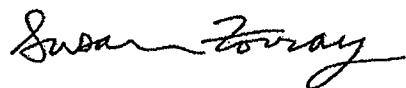
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Debra, we have appreciated the opportunity to perform this analysis for the Department. If you have any comments or questions, please call.

Respectfully submitted,



Chad C. Karls, FCAS, MAAA  
Principal and Consulting Actuary



Susan J. Forray, FCAS, MAAA  
Consulting Actuary

CCK/SJF/bas

April 9, 2008

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Exhibit 1  
Page 2 of 4

Indiana Patients Compensation Fund

Market Conduct Bureau of MidWest Reinsurance Group

Calculation of Total First Dollar Annualized Premium

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Name/Insured	Policy Number <sup>a</sup>	Mitiven Effective Date	Medical Premium	PL & GL Premium	BICA Discount	Excess & Surplus	Membership/ Bureau Group Fee	Risk Management Fee	IRP/M&S Credit Debit	Deductible Credit	Expense Rebates	Credit Fees	Amt/ Broker Fee	Million Calculate First Dollar Premium <sup>b</sup>
Wellington Manor Willow Manor Investors, LLC	PL.GLR-IN-004-000-1060	3/1/2004	43,400	0	1,251	0	750	0	0	0	0	0	0	1,329
Houser Realty II, LLC	PL.GLR-IN-04-009-1061	11/1/2004	43,575	(2,658)	0	1,089	750	0	0	0	0	0	0	44,064
Homer Hill Manor, Inc.	PL.GLR-IN-04-009-1064	11/1/2004	32,953	(3,293)	0	750	0	0	0	0	0	0	0	23,638
Bear Nursing Home	PL.GLR-IN-04-009-1065	11/1/2004	30,853	0	750	0	0	0	0	0	0	0	0	30,853
Cloud Nursing & Rehabilitation Center, LLC	PL.GLR-IN-04-009-1066	3/1/2005	31,625	(3,163)	0	750	0	0	0	0	0	0	0	29,638
Central HealthCare Management, Inc.	PL.GLR-IN-04-009-1068	3/1/2005	36,923	(5,693)	0	750	0	0	0	0	0	0	0	30,212
Midwest HealthCare, Inc., d/b/a Indiana Nursing Home	PL.GLR-IN-04-009-1072	3/1/2005	10,218	(10,218)	0	750	0	0	0	0	0	0	0	52,720
Northern Health Care	PL.GLR-IN-04-009-1077	3/1/2005	15,760	0	750	0	0	0	0	0	0	0	0	19,750
Middle, Health & Retirement Community, Inc.	PL.GLR-IN-04-009-1078	3/1/2005	36,480	0	750	0	0	0	0	0	0	0	0	34,720
Carage of Logansport, Inc.	PL.GLR-IN-04-009-1079	3/1/2005	57,084	0	750	0	0	0	0	0	0	0	0	17,510
Health & Hospital Corp o/Marion County (Lockfield Village)	PL.GLR-IN-04-009-1081	3/1/2005	59,695	(8,720)	0	1,000	0	0	0	0	0	0	0	38,210
Wellington Manor	PL.GLR-IN-04-009-1072	3/1/2005	84,940	0	750	0	0	0	0	0	0	0	0	58,834
St. Clair Doctor Health Systems	PL.GLR-IN-04-009-1050	3/1/2005	47,590	0	750	0	0	0	0	0	0	0	0	91,425
Allens Heathcare Corporation	PL.GLR-IN-04-009-1038	3/1/2005	65,785	(6,579)	0	750	0	0	0	0	0	0	0	85,590
Qualif Life Care, LLC d/b/a Williamson Health & Rehab Ctr	PL.GLR-IN-04-009-1042	3/1/2005	9,420	(924)	0	750	0	0	0	0	0	0	0	49,150
Simmons Living Care Center, LLC d/b/a Williamson • enderment	PL.GLR-IN-04-009-1031	3/1/2005	30,010	0	750	0	0	0	0	0	0	0	0	60,926
Alpha Home Association of Greater Indianapolis	PL.GLR-IN-04-009-1036	3/1/2005	2,150	0	750	0	0	0	0	0	0	0	0	10,666
American Senior Communities, LLC #/ Turtle Creek Med Grp	PL.GLR-IN-04-009-1001	3/1/2005	48,246	(4,823)	0	0	0	0	0	0	0	0	0	2,365
Bellview Village Investors, LLC Nursing Home	PL.GLR-IN-04-009-1036	3/1/2005	66,720	0	750	0	0	0	0	0	0	0	0	15,525
Bellview Village Investors, LLC Residential Care Home	PL.GLR-IN-04-009-1037	3/1/2005	52,400	0	750	0	0	0	0	0	0	0	0	45,171
Premier Investors, Inc., aka Brother Village Health Care Ctr	PL.GLR-IN-04-009-1038	3/1/2005	37,720	0	750	0	0	0	0	0	0	0	0	81,190
Simmond Living Care Center, LLC d/b/a Williamson • enderment	PL.GLR-IN-04-009-1031	3/1/2005	90,480	0	750	0	0	0	0	0	0	0	0	54,250
Business Support Services, Inc., aka Byron Health Center	PL.GLR-IN-04-009-1033	3/1/2005	310,080	(31,080)	0	6,750	0	0	0	0	0	0	0	38,310
Caron & Associates, Inc., aka Byron Health Center	PL.GLR-IN-04-009-1001	3/1/2005	85,154	0	750	0	0	0	0	0	0	0	0	97,590
Cloverleaf at Kyleville, Investors, LLC	PL.GLR-IN-04-009-1045	3/1/2005	27,009	(27,009)	0	0	0	0	0	0	0	0	0	29,812
Community Villages, Inc.	PL.GLR-IN-04-009-1011	3/1/2005	37,072	0	750	0	0	0	0	0	0	0	0	1,329
3/1/2005	37,072	0	750	0	0	0	0	0	0	0	0	0	0	26,504
Core and Associates, Inc.	PL.GLR-IN-04-009-1012	3/1/2005	76,700	0	750	0	0	0	0	0	0	0	0	47,910
Dix Nursing & Rehabilitation Center, LLC	PL.GLR-IN-04-009-1040	3/1/2005	61,516	(6,151)	0	750	0	0	0	0	0	0	0	31,482
East Lake Nursing & Rehabilitation Center, LLC	PL.GLR-IN-04-009-1039	3/1/2005	7,245	(7,245)	0	750	0	0	0	0	0	0	0	76,700
The Indianapolis Avant Home, Inc.	PL.GLR-IN-04-009-1030	3/1/2005	72,310	(7,230)	0	750	0	0	0	0	0	0	0	60,614
Lake County Nursing & Rehabilitation Center, LLC	PL.GLR-IN-04-009-1016	3/1/2005	24,560	0	750	0	0	0	0	0	0	0	0	69,021
Lakeview Manor, Inc.	PL.GLR-IN-04-009-1018	3/1/2005	26,000	0	750	0	0	0	0	0	0	0	0	73,030
Lakeview Manor Investors, LLC	PL.GLR-IN-04-009-1051	3/1/2005	51,915	(5,792)	0	750	0	0	0	0	0	0	0	74,710
Lakeview Manor Investors, Inc.	PL.GLR-IN-04-009-1019	3/1/2005	50,980	0	750	0	0	0	0	0	0	0	0	9,964
Manitowoc Nursing & Rehabilitation Center, LLC	PL.GLR-IN-04-009-1039	3/1/2005	52,320	(6,831)	0	750	0	0	0	0	0	0	0	52,240
Midwest HealthCare Management, Inc.	PL.GLR-IN-04-009-1040	3/1/2005	31,098	0	750	0	0	0	0	0	0	0	0	53,720
The Indianapolis Avant Home, Inc.	PL.GLR-IN-04-009-1033	3/1/2005	7,250	(7,245)	0	750	0	0	0	0	0	0	0	32,948
InterimCare, LLC d/b/a Pines West Combined Level of Care & Rehab	PL.GLR-IN-04-009-1030	3/1/2005	25,024	0	750	0	0	0	0	0	0	0	0	68,470
Ridgehaven Retirement Community	PL.GLR-IN-04-009-1018	3/1/2005	41,030	0	750	0	0	0	0	0	0	0	0	36,274
D.L. Yost, Inc.	PL.GLR-IN-04-009-1032	3/1/2005	56,634	0	750	0	0	0	0	0	0	0	0	47,495
Scout County Nursing & Rehabilitation Center, Inc.	PL.GLR-IN-04-009-1017	3/1/2005	27,600	0	750	0	0	0	0	0	0	0	0	27,790
Sequoia Nursing Home, Inc.	PL.GLR-IN-04-009-1041	3/1/2005	83,160	(8,316)	0	750	0	0	0	0	0	0	0	53,874
Southeastern Nursing & Rehabilitation Center, Inc.	PL.GLR-IN-04-009-1034	3/1/2005	61,975	0	750	0	0	0	0	0	0	0	0	53,725
Springfield Health Care Center, Inc.	PL.GLR-IN-04-009-1063	3/1/2005	63,310	(6,831)	0	750	0	0	0	0	0	0	0	53,310
Summa Pines West, Inc.	PL.GLR-IN-04-009-1037	3/1/2005	36,720	0	750	0	0	0	0	0	0	0	0	49,370
Valleyview Care & Rehabilitation Center, Inc./Good Samaritan Home	PL.GLR-IN-04-009-1059	3/1/2005	12,715	(1,272)	0	750	0	0	0	0	0	0	0	22,193
Vanderbilt, Spanish & Smith	PL.GLR-IN-04-009-1014	3/1/2005	37,100	0	750	0	0	0	0	0	0	0	0	14,350
Willow Manor Investors, Inc.	PL.GLR-IN-04-009-1013	3/1/2005	51,050	0	750	0	0	0	0	0	0	0	0	38,920
Southwind HealthCare, Inc.	PL.GLR-IN-04-009-1054	3/1/2005	51,450	0	750	0	0	0	0	0	0	0	0	11,384
Robert H. Lau Investors, Inc.	PL.GLR-IN-04-009-1061	3/1/2005	60,532	(6,039)	0	750	0	0	0	0	0	0	0	56,590
New Age Healthcare, LLC	PL.GLR-IN-04-009-1052	3/1/2005	19,300	0	750	0	0	0	0	0	0	0	0	63,629
Oncore Healthcare Med & MIL Healthcare Mgt	PL.GLR-IN-04-009-1026	3/1/2005	11,364	(1,136)	0	750	0	0	0	0	0	0	0	12,154
Shelby Manor	PL.GLR-IN-04-009-1013	3/1/2005	14,000	(1,104)	0	750	0	0	0	0	0	0	0	11,000
Health & Hospital Corporation of Marion County	PL.GLR-IN-04-009-1012	3/1/2005	10,070	(1,070)	0	750	0	0	0	0	0	0	0	11,978
Clarendon HealthCare, LLC	PL.GLR-IN-04-009-1011	3/1/2005	10,170	(1,070)	0	750	0	0	0	0	0	0	0	12,152
The Laurel Residence	PL.GLR-IN-04-009-1047	3/1/2005	12,750	0	750	0	0	0	0	0	0	0	0	38,920
Kirwan ICU	PL.GLR-IN-04-009-1052	3/1/2005	68,755	(6,876)	0	750	0	0	0	0	0	0	0	50,000
Robert H. Lau Investors, Inc.	PL.GLR-IN-04-009-1059	3/1/2005	11,560	(1,156)	0	750	0	0	0	0	0	0	0	12,154
Caron & Associates, Inc., Lifespan Home Health Services	PL.GLR-IN-04-009-1034	3/1/2005	2,520	0	750	0	0	0	0	0	0	0	0	51,200
Trotter Senior Health Care Center, Inc.	PL.GLR-IN-04-009-1020	3/1/2005	11,000	(1,000)	0	750	0	0	0	0	0	0	0	11,000
Trinity - Mill Pond Health Campus aka Outlook Pointe	PL.GLR-IN-04-009-1047	3/1/2005	29,263	(2,471)	0	750	0	0	0	0	0	0	0	27,790
Trinity - Mill Pond Health Campus aka Outlook Pointe	PL.GLR-IN-04-009-1047	6/1/2005	11,895	(1,189)	0	750	0	0	0	0	0	0	0	12,456

Exhibit 1  
Page 3 of 4

**Indiana Patients Compensation Fund  
Market Constituent Summary of MidWest Insurance Group**

Calculation of Total First Dollar Annualized Premium

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Named Insured	Policy Number <sup>1</sup>	Midwest Carried By & Co.	Effective Date Policy	Premium	Reinsurance Surplus	Burden Tax	Membership/ Group Fees	Risk Management Credit	Deductible	Inspection Fee	Entitlement Fee	Reinsurance Reduction Fee	Agent/ Broker Fee	Million Latitude First Dollar Premium <sup>2</sup>
Titus St Andrews Health Campus	PLGL-IN-45-400-1047	9/2/2005	19,443	(1,943)	0	0	0	0	0	0	700	0	0	19,249
Simmons Living Care Health Facility	PLGL-IN-45-400-1079	8/19/2005	17,250	(1,725)	0	0	0	0	0	0	660	0	0	15,525
Oak Grove Christian Retirement Village, Inc.	PLGL-IN-45-400-1062	3/1/2005	19,545	0	0	750	0	0	0	0	1,750	752	0	21,295
Harrison Healthcare Corporation, dba American Village Retirement Community	PLGL-IN-45-400-1035	4/2/2005	96,866	0	0	750	0	0	0	0	3,875	3,875	0	98,816
Golde Club Management, LLC, dba Shamrock Gardens	PLGL-IN-45-400-1002	4/2/2005	29,720	0	0	750	0	0	0	0	1,750	0	0	31,500
Archer Catering Services, Inc.	PLGL-IN-45-400-1073	5/1/2005	12,190	(1,219)	0	0	0	0	0	0	1,750	1,190	0	13,700
Chandigarh Manor, LLC	PLGL-IN-45-400-1039	7/1/2005	15,340	(1,534)	0	250	0	0	0	0	1,750	4,878	0	15,736
Old Fellows Home	PLGL-IN-45-400-1074	7/1/2005	69,375	0	0	750	0	0	0	0	1,750	559	0	71,125
McCarroll Management Corporation dba Westpark Healthcare	PLGL-IN-45-400-1080	8/1/2005	30,909	(4,038)	0	750	0	0	0	0	1,750	2,775	0	32,687
Angel Care Health and Living Center	PLGL-IN-45-400-1081	9/1/2005	27,233	0	0	750	0	0	0	0	1,750	1,236	0	38,087
D & M HealthCare, Inc. dba Waldens Health Care Home	PLGL-IN-45-400-1082	10/1/2005	10,400	0	0	750	0	0	0	0	1,750	1,454	0	0
Waldens Health Group, LLC	PLGL-IN-45-400-1083	10/27/2005	24,153	(2,225)	0	750	0	0	0	0	1,750	1,093	0	29,077
Platinum Lakes of Monroeville, LLC	PLGL-IN-45-400-1085	10/27/2005	105,200	(18,620)	0	750	0	0	0	0	1,750	432	0	104,000
Madison Lakes Residential beds	PLGL-IN-45-400-1087	10/27/2005	14,684	(1,684)	0	750	0	0	0	0	1,750	873	0	21,576
Woodland Lakes - Spider garden home	PLGL-IN-45-400-1087	2/1/2006	68,316	0	0	750	0	0	0	0	1,750	6,703	0	67,280
Meadow Lake - Spider garden home & clubhouse	PLGL-IN-45-400-1087	2/1/2006	7,462	0	0	750	0	0	0	0	1,750	584	0	16,554
Meadow Lake - 4+ and 5-unit garden homes	PLGL-IN-45-400-1087	2/1/2006	1,108	0	0	750	0	0	0	0	1,750	1,918	0	4,781
Shrigley Care Center, LLC	PLGL-IN-45-400-1087	2/24/2006	2,288	0	0	750	0	0	0	0	1,750	0	0	5,223
Stratford Care Center, LLC	PLGL-IN-45-400-1087	7/27/2006	1,631	0	0	750	0	0	0	0	1,750	44	0	1,108
Medford Lakes of Monroeville, LLC	PLGL-IN-45-400-1029	3/1/2006	27,445	0	0	750	0	0	0	0	1,750	92	0	2,288
Madison Lakes Residential beds	PLGL-IN-45-400-1085	3/1/2006	60,175	(6,165)	0	750	0	0	0	0	1,750	67	0	1,681
Madison Lakes Residential beds	PLGL-IN-45-400-1025	3/1/2006	48,906	0	0	750	0	0	0	0	1,750	500	0	22,595
Woodland Lakes Residential beds	PLGL-IN-45-400-1025	3/1/2006	61,566	0	0	750	0	0	0	0	1,750	2,226	0	58,141
Woodland Lakes - Spider garden home	PLGL-IN-45-400-1011	3/1/2006	3,398	0	0	750	0	0	0	0	1,750	1,467	0	3,6680
Larmer Healthcare Management, Inc.	PLGL-IN-45-400-1010	3/1/2006	7,643	(8,382)	0	750	0	0	0	0	1,750	2,466	0	61,656
Belz Nursing Home, Inc.	PLGL-IN-45-400-1010	3/1/2006	107,600	(10,680)	0	1,500	0	0	0	0	1,750	123	0	98,998
Wellington HealthCare, Inc. dba Lu Ann Nursing Home	PLGL-IN-45-400-1022	3/1/2006	39,350	(3,424)	0	750	0	0	0	0	1,750	3,476	0	96,912
Woodlawn Manor Investor, LLC	PLGL-IN-45-400-1022	3/1/2006	17,160	0	0	750	0	0	0	0	1,750	1,239	0	30,975
Midwest Health & Retirement Community, Inc.	PLGL-IN-45-400-1028	3/1/2006	48,948	0	0	750	0	0	0	0	1,750	618	0	13,444
Midwest Community Health Services, Inc.	PLGL-IN-45-400-1031	3/1/2006	63,915	(5,875)	0	750	0	0	0	0	1,750	1,922	0	51,572
Midwest Community Association of Great Indianapolis, Inc.	PLGL-IN-45-400-1031	3/1/2006	48,346	(4,259)	0	750	0	0	0	0	1,750	4,424	0	48,048
Kendallville Manor Investors, LLC	PLGL-IN-45-400-1036	3/1/2006	18,749	0	0	750	0	0	0	0	1,750	1,412	0	47,329
Delmar Village Investors, LLC	PLGL-IN-45-400-1057	3/1/2006	52,800	0	0	750	0	0	0	0	1,750	0	0	185,749
Belz Nursing Home, Inc.	PLGL-IN-45-400-1055	3/1/2006	37,310	0	0	750	0	0	0	0	1,750	2,100	0	52,500
Wellington HealthCare, Inc. dba Belchel Village Health Care Ctr	PLGL-IN-45-400-1056	3/1/2006	80,410	0	0	750	0	0	0	0	1,750	1,492	0	37,310
Woodlawn Manor Investor, LLC	PLGL-IN-45-400-1053	3/1/2006	115,300	(15,350)	0	750	0	0	0	0	1,750	1,511	0	120,604
Cochran Operating Group, Inc.	PLGL-IN-45-400-1045	3/1/2006	94,459	0	0	750	0	0	0	0	1,750	5,421	0	135,518
Woodlawn Manor Investors, LLC	PLGL-IN-45-400-1011	3/1/2006	77,666	(31,877)	0	750	0	0	0	0	1,750	3,778	0	94,469
Clare and Associates, Inc.	PLGL-IN-45-400-1040	3/1/2006	36,394	(6,259)	0	750	0	0	0	0	1,750	1,176	0	26,899
Clare and Associates, Inc. - Dale facility	PLGL-IN-45-400-1040	3/1/2006	75,120	(6,986)	0	750	0	0	0	0	1,750	1,402	0	16,049
East Lake Nursing & Rehabilitation Center, LLC (Shelbyfield Manor)	PLGL-IN-45-400-1040	4/24/2006	12,499	(1,152)	0	2,250	0	0	0	0	1,750	3,259	0	6,2876
East Lake Nursing & Rehabilitation Center, LLC (Shelbyfield Manor)	PLGL-IN-45-400-1040	3/1/2006	64,779	(7,733)	0	750	0	0	0	0	1,750	4,719	0	57,342
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1035	3/1/2006	68,940	(7,894)	0	3,000	0	0	0	0	1,750	2,792	0	60,265
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1016	3/1/2006	81,150	0	0	750	0	0	0	0	1,750	2,842	0	71,435
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1018	3/1/2006	23,740	0	0	750	0	0	0	0	1,750	3,097	0	1,153
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1051	3/1/2006	50,193	(6,253)	0	750	0	0	0	0	1,750	15,585	0	28,829
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1020	3/1/2006	70,125	0	0	750	0	0	0	0	1,750	2,549	0	56,726
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1019	3/1/2006	37,990	0	0	750	0	0	0	0	1,750	2,100	0	53,186
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1019	3/1/2006	34,320	(3,917)	0	750	0	0	0	0	1,750	2,4710	0	47,488
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1021	3/1/2006	55,834	0	0	750	0	0	0	0	1,750	1,551	0	81,544
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1033	3/1/2006	64,350	(6,044)	0	750	0	0	0	0	1,750	1,312	0	73,304
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1017	3/1/2006	51,321	0	0	750	0	0	0	0	1,750	1,075	0	70,172
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1017	3/1/2006	4,965	0	0	750	0	0	0	0	1,750	2,053	0	5,055
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1032	3/1/2006	5,262	0	0	750	0	0	0	0	1,750	0	0	1,685
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1034	3/1/2006	34,320	(3,917)	0	750	0	0	0	0	1,750	1,518	0	48,748
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1034	3/1/2006	59,202	(6,808)	0	750	0	0	0	0	1,750	8,800	0	50,304
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1036	3/1/2006	36,888	0	0	750	0	0	0	0	1,750	0	0	36,888
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1036	3/1/2006	33,033	(2,411)	0	750	0	0	0	0	1,750	0	0	21,703
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1039	3/1/2006	14,840	(4,049)	0	750	0	0	0	0	1,750	1,246	0	12,614
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1055	3/1/2006	72,721	(6,619)	0	750	0	0	0	0	1,750	1,622	0	54,554
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1044	3/1/2006	19,359	0	0	750	0	0	0	0	1,750	1,414	0	77,837
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1061	3/1/2006	51,390	0	0	750	0	0	0	0	1,750	1,169	0	54,223
Woodlawn Manor Investors, Inc.	PLGL-IN-45-400-1061	3/1/2006	61,699	0	0	750	0	0	0	0	1,750	1,169	0	13,935

Exhibit 1  
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Indiana Patients Compensation Fund  
Market Condor Bureau of Midwest Assurance Group

Calculation of Total First Dollar Annualized Premium

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Named Insured	Policy Number	Effective Date	Opened Policy	Calculated Premium	HICA	Excess & Surplus Test	Membership/Group Rec.	Rate	RPM/RAS Credit	Deductible	Installment Fees	Inspection Fees	Agents Reduction Credit	Milliman Calculated First Dollar Premium <sup>a</sup>
Quality Life Care, LLC, dba Williamson Health & Rehab Ctr	PLCL-IN-46-0001031	3/1/2006	26,984	0	0	750	0	3,698	0	0	1,730	0	0	42,432
New Age Healthcare, LLC, dba Arcadia Developmental Center	PLCL-IN-46-0001026	3/1/2006	25,740	0	0	750	0	1,692	0	0	958	0	0	23,918
Gentrystone Healthcare, Mkt & MSB Healthcare Mgt	PLGL-IN-46-0001043	3/1/2006	132,990	(16,225)	0	6,000	0	29,258	0	0	5,441	0	0	160,633
Cardinal Health, Inc.	PLGL-IN-46-0001071	3/1/2006	13,250	(1,391)	0	750	0	663	0	0	501	0	0	12,521
Platinum Health, Inc.	PLGL-IN-46-0001013	3/1/2006	52,080	(5,989)	0	750	0	7,812	0	0	2,156	0	0	51,923
PCH-2001-0001052	PLCH-IN-46-0001052	3/1/2006	16,219	(1,751)	0	750	0	2,293	0	0	630	0	0	15,752
Platinum Health, Inc.	PLCH-IN-46-0001030	3/1/2006	23,598	(2,242)	0	750	0	1,180	0	0	908	0	0	20,776
Martin County Health, Inc.	PLCH-IN-46-0001063	3/1/2006	20,160	0	0	750	0	1,210	0	0	855	0	0	21,370
Green-Hill Manor, Inc.	PLCH-IN-46-0001033	3/1/2006	22,210	0	0	750	0	0	0	0	893	0	0	22,329
Riverview TLC	PLCH-IN-46-0001059	3/1/2006	29,440	(2,797)	0	750	0	1,472	0	0	1,007	0	0	25,711
The Larami Residence	PLCH-IN-46-0001026	3/1/2006	10,725	0	0	750	0	0	0	0	429	0	0	10,725
CanDo & Able - Lifespan, Inc.	PLCH-IN-46-0001068	3/1/2006	11,154	(1,136)	0	750	0	0	0	0	499	0	0	10,228
Tulip Health Services, LLC	PLCH-IN-46-0001047	3/1/2006	9,621,800	(96,216)	0	18,000	(76,974)	0	0	0	31,560	0	0	79,598
Tulip - Grandview Care, Inc., dba Glen Oaks Health Campus	PLCH-IN-46-0001037	3/1/2006	6,685	(6,15)	0	750	0	(535)	0	0	131	0	0	5586
Tulip - Grandview Care, Inc., dba Waterford Crossing	PLCH-IN-46-0001047	8/1/2006	24,000	(2,208)	0	750	0	(1,120)	0	0	795	0	0	22,229
Glokan Glass Management, LLC, dba Shattered Dreams	PLCH-IN-46-0001035	7/1/2006	29,916	(2,476)	0	750	0	(2,152)	0	0	891	0	0	24,316
Another Cupola Building Services, Inc.	PLCH-IN-46-0001002	4/22/2006	29,750	0	0	750	0	(5,950)	0	0	2,229	0	0	23,800
Steven L. Deline, dba Lakeview Health Care Center	PLCH-IN-46-0001022	4/21/2006	152,072	1	0	750	0	0	0	0	0	0	0	152,072
Covenant Meadows, LLC, endowment I and II	PLCH-IN-46-0001089	6/17/2006	14,325	(1,452)	0	750	0	0	0	0	4,926	0	0	13,073
Covenant Meadows, LLC, endowment I and II	PLCH-IN-46-0001089	6/20/2006	62,350	0	0	750	0	0	0	0	523	0	0	64,500
Old Fellow's Home	PLCH-IN-46-0001089	10/1/2006	161	0	0	750	0	0	0	0	2,510	0	0	17,500
Troyay - The Maples at Waterford Crossing	PLCH-IN-46-0001074	7/1/2006	34,554	0	0	750	0	0	0	0	0	0	0	761
Plankton Glass Management, LLC, dba Shattered Dreams	PLCH-IN-46-0001093	7/4/2006	10,400	0	0	750	0	0	0	0	0	0	0	180
Plankton Glass Management, LLC, dba Shattered Dreams	PLCH-IN-46-0001090	7/17/2006	18,950	0	0	1,980	0	(1,918)	0	0	1,382	0	0	34,554
Respite Villas, LLC, dba Monticello Manor	PLCH-IN-46-0001078	8/17/2006	34,180	(3,414)	0	750	0	1,578	0	0	1,909	0	0	39,922
Southeast Ohio Care, Inc., PRAC Corporation (late Mkt Residential)	PLCH-IN-46-0001092	5/15/2006	62,750	0	0	750	0	0	0	0	883	0	0	22,066
A.M. Health (Bentonville, Inc.), dba Riverwalk Communities	PLCH-IN-46-0001094	3/1/2006	37,990	0	0	750	0	0	0	0	1,313	0	0	32,512
A.M. Health (Bentonville, Inc.), dba Riverwalk Communities	PLCH-IN-46-0001095	8/28/2006	23,052	(2,305)	0	750	0	9,998	0	0	1,750	0	0	64,500
McCormick Management Corporation	PLCH-IN-46-0001096	9/1/2006	4,680	(468)	0	750	0	0	0	0	0	0	0	47,748
Maplewood Health Systems, Inc., dba Hooper Enterprises, Inc.	PLCH-IN-46-0001091	7/4/2006	29,014	0	0	750	0	0	0	0	0	0	0	20,317
Maplewood Health Systems, Inc., dba Hooper Enterprises, Inc.	PLCH-IN-46-0001091	131,721	0	0	0	20,350	0	0	0	0	1,161	0	0	142,12
Maplewood Health Systems, Inc., dba Sunbeam Place West	PLCH-IN-46-0001091	7/4/2006	15,266	0	0	750	0	(4,848)	0	0	5,080	0	0	20,714
Hooper Care II, Inc., dba Hooper Nursing Center	PLCH-IN-46-0001091	11/17/2006	1,921	0	0	750	0	(16,777)	0	0	531	0	0	39,966
Manolina/Bonnie - French Hill Manor	PLCH-IN-46-0001091	12/1/2006	5,288	0	0	750	0	(38,681)	0	0	77	0	0	3,164
Manolina/Bonnie - French Hill Manor	PLCH-IN-46-0001091	12/1/2006	5,288	0	0	750	0	(17,785)	0	0	339	0	0	31,152
Total			15,674,443	(808,170)	103,317	316,730	(85,526)	62,463	(539,911)	264,250	579,349	(98,180)	14,2766	15,755,776

<sup>a</sup> Certain policies have mid-term endorsements attached to them. These endorsements have been displayed with the same number as the underlying policy.

<sup>b</sup> Calculated as [(1) + (5) + (6) + (9) + (10) + (11) + (13)] + [1]







**Exhibit 2**  
**Page 4 of 4**

Market Conduct Exam of Milliman Insurance Fund Calculation of PUF Premium Due												
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Name Insured	Miller's Policy Number	Quoted Policy Effective Date	Policy Exclusion Date	Actual Policy Effective Date	Million Calculated Premium Due	Premium Calculated Annuity	Premium Excluding General Liability Columns:	Premium Excluding General Liability Columns:	Milliman Calculated Annuity	Portion of Policy Covered & Included in Premium Due	Milliman Calculated Annuity	Milliman Calculated Annuity
Silicon Valley Investment, Inc.	PIC-AH-464-4001091	7/17/2006	8/1/2007	7/17/2006	2.2358	19,461	21,847	21,847	21,847	0	0	0
Yerethrik, Inc. d/b/a Montebello Water	PIC-AH-464-4001092	8/1/2006	8/1/2007	8/1/2006	33.622	29,549	32,504	32,504	32,504	0	0	0
Standard City KHA Corporation (Lake Park Residential)	PIC-AH-464-4001093	5/15/2006	5/15/2007	6/2/2006	62,400	58,050	63,355	63,355	63,355	0	0	0
A.M. Best (Elmwood), Inc. Big Riverwalk Communities	PIC-AH-464-4001094	3/19/2006	3/1/2007	4/7/2006	47,384	42,739	47,013	47,013	47,013	0	0	0
Macaroni Management Corporation	PIC-AH-464-4001095	8/28/2006	8/28/2007	8/28/2006	20,247	18,672	20,540	20,540	20,540	0	0	0
Magnolia Health Systems, Inc. Na Houser Enterprises, Inc.	PIC-AH-464-4001096	9/1/2006	9/1/2007	9/1/2006	20,211	1,791	0	0	0	0	0	0
Magnolia Health Enterprises, Liberty Express Scripts	PIC-AH-464-4001097	7/4/2006	7/4/2007	7/4/2006	26,534	26,113	26,724	26,724	26,724	0	0	0
Magnolia Health Systems dba Summit Place West	PIC-AH-464-4001098	9/15/2006	7/4/2007	9/15/2006	58,939	58,936	58,1385	58,1385	58,1385	0	0	0
Honor Care II, Inc. dba Silverview Manor	PIC-AH-464-4001099	11/17/2006	7/4/2007	11/17/2006	8,164	7,348	8,082	8,082	8,082	0	0	0
Magnolia/Flourner - Green Hill Manor	PIC-AH-464-4001100	12/17/2006	7/4/2007	12/17/2006	22,157	23,437	26,740	26,740	26,740	0	0	0
Totals					4,566	8,609	26,09	22,842	22,842	0	0	0
					15,555,276	14,481,198	13,412,600	13,922,317	13,922,317	0	9,470	9,470
										13,993	13,993	13,993

<sup>1</sup> Assuming in Miller, the listed policies were transferred from another carrier to Milliman effective September 1, 2004.

<sup>2</sup> Calculated at 98% of the total premium. The pro rata liability rating of 10% is derived on Exhibit 4.

<sup>3</sup> Calculated as the product of column (8) and Exhibit 3, column (10).

<sup>4</sup> Calculated as 100% of (9) for policies effective prior to April 17, 2005 and 100% of (9) for policies effective April 17, 2005 and subsequent.

<sup>5</sup> Calculated at (10) \* (11)

<sup>6</sup> Calculated as the product of column (8) and column (10).

<sup>7</sup> Calculated as (12) \* (13).

<sup>8</sup> Calculated as (14) \* (15).

<sup>9</sup> Assuming the market conduct calculation is based on the PUF's calculation of the PUF's surcharge earned for these term adjustments.

<sup>10</sup> Calculated as the product of column (10) and Exhibit 3, column (10).

<sup>11</sup> Calculated as 100% of (9) for policies effective prior to April 17, 2005 and 100% of (9) for policies effective April 17, 2005 and subsequent.

<sup>12</sup> Calculated as (12) \* (13).

<sup>13</sup> Calculated as (14) \* (15).

<sup>14</sup> Calculated as the product of column (10) and column (11).

<sup>15</sup> Calculated as (12) \* (13).

<sup>16</sup> Calculated as the product of column (10) and column (11).

<sup>17</sup> Calculated as (12) \* (13).

<sup>18</sup> Calculated as the product of column (10) and column (11).

<sup>19</sup> Calculated as (12) \* (13).

<sup>20</sup> Calculated as the product of column (10) and column (11).

<sup>21</sup> Calculated as (12) \* (13).

<sup>22</sup> Calculated as the product of column (10) and column (11).

<sup>23</sup> Calculated as (12) \* (13).

<sup>24</sup> Calculated as the product of column (10) and column (11).

<sup>25</sup> Calculated as (12) \* (13).

<sup>26</sup> Calculated as the product of column (10) and column (11).

<sup>27</sup> Calculated as (12) \* (13).

<sup>28</sup> Calculated as the product of column (10) and column (11).

<sup>29</sup> Calculated as (12) \* (13).

<sup>30</sup> Calculated as the product of column (10) and column (11).

<sup>31</sup> Calculated as (12) \* (13).

<sup>32</sup> Calculated as the product of column (10) and column (11).

<sup>33</sup> Calculated as (12) \* (13).

<sup>34</sup> Calculated as the product of column (10) and column (11).

<sup>35</sup> Calculated as (12) \* (13).

<sup>36</sup> Calculated as the product of column (10) and column (11).

<sup>37</sup> Calculated as (12) \* (13).

<sup>38</sup> Calculated as the product of column (10) and column (11).

<sup>39</sup> Calculated as (12) \* (13).

<sup>40</sup> Calculated as the product of column (10) and column (11).

<sup>41</sup> Calculated as (12) \* (13).

<sup>42</sup> Calculated as the product of column (10) and column (11).

<sup>43</sup> Calculated as (12) \* (13).

<sup>44</sup> Calculated as the product of column (10) and column (11).

<sup>45</sup> Calculated as (12) \* (13).

<sup>46</sup> Calculated as the product of column (10) and column (11).

<sup>47</sup> Calculated as (12) \* (13).

<sup>48</sup> Calculated as the product of column (10) and column (11).

<sup>49</sup> Calculated as (12) \* (13).

<sup>50</sup> Calculated as the product of column (10) and column (11).

<sup>51</sup> Calculated as (12) \* (13).

<sup>52</sup> Calculated as the product of column (10) and column (11).

<sup>53</sup> Calculated as (12) \* (13).

<sup>54</sup> Calculated as the product of column (10) and column (11).

<sup>55</sup> Calculated as (12) \* (13).

<sup>56</sup> Calculated as the product of column (10) and column (11).

<sup>57</sup> Calculated as (12) \* (13).

<sup>58</sup> Calculated as the product of column (10) and column (11).

<sup>59</sup> Calculated as (12) \* (13).

<sup>60</sup> Calculated as the product of column (10) and column (11).

<sup>61</sup> Calculated as (12) \* (13).

Indiana Patient Compensation Fund Market Conduct Name or Nickname Group																
(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		
Named Insurer	Named Insurer	Quoted Holder	Effective Date	Stilled	Intermediate	Residential	Assisted	Independent	Living	Living	Care	Ch.	Assisted	Residential	Independent	Living
Allied Healthcare Corporation	Alpha Home Association of Central Indiana	3/1/2004	33	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
American Senior Communities, LLC & Turtle Creek Mat Corp	3/1/2004	86	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Arthur Consulting Services, Inc.	3/1/2004	0	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Bethany Village Nursing Home	4/7/2004	0	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Bethany Assisted Living	3/1/2004	100	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001058	3/1/2004	0	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001055	3/1/2004	115	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001057	3/1/2004	39	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001053	3/1/2004	116	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001059	1/17/2004	7	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001059	7/1/2004	143	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001045	3/1/2004	786	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001041	3/1/2004	168	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001040	3/1/2004	140	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001048	3/1/2004	120	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001011	3/1/2004	86	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001012	3/1/2004	106	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001046	3/1/2004	170	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001013	3/1/2004	93	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001014	3/1/2004	60	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001049	3/1/2004	90	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001050	3/1/2004	160	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001015	3/1/2004	67	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001055	4/22/2004	0	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001062	3/1/2004	119	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001046	3/1/2004	2726	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001024	3/1/2004	40	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001059	3/1/2004	107	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001016	3/1/2004	190	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001015	3/1/2004	115	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001000	3/1/2004	54	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001061	3/1/2004	60	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001018	3/1/2004	122	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001051	3/1/2004	172	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001019	3/1/2004	143	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001020	3/1/2004	86	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001052	3/1/2004	180	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001021	3/1/2004	71	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001022	3/1/2004	386	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001043	3/1/2004	84	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001023	3/1/2004	206	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001026	3/1/2004	85	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001027	3/1/2004	191	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001053	3/1/2004	109	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001028	3/1/2004	138	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001029	3/1/2004	35	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001030	3/1/2004	138	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001031	3/1/2004	46	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001053	3/1/2004	83	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001032	3/1/2004	143	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001038	3/1/2004	100	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001034	3/1/2004	57	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001037	3/1/2004	603	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001039	3/1/2004	1315	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001047	7/1/2004	68	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001055	3/1/2004	192	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%
Big Easy RN-400-0001044	10/7/2003	410	0	0	0	0	0	0	0	0	100%	55%	30%	25%	25%	25%

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Market Condition Events of Midwest Insurance Group															
Portion of Rate Associated with Independent Living Beds															
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<u>Named Insured</u>	<u>Quoted Policy Effective Date</u>	<u>Stated Care</u>	<u>Intermediate Care</u>	<u>Residential Care</u>	<u>Assisted Living</u>	<u>Independent Living</u>	<u>Care</u>	<u>State J</u>	<u>Intermediate Residential Care</u>	<u>Residential Care</u>	<u>Assisted Living</u>	<u>Independent Living</u>	<u>Weighted Expenses Relative to Stated Care Bed Type<sup>1</sup></u>	<u>Weighted Expenses Excluding Independent Living Beds<sup>1</sup></u>	<u>Portion of Expenses From Independent Living Beds<sup>2</sup></u>
VinNess, Shugoll & Smith dba The Lodge	11/1/2004	0	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Willow Manor	3/1/2004	128	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Hanover Realty II, LLC	3/1/2004	83	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Hanover Realty III, LLC	3/1/2004	50	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Green-Hill Manag., Inc.	11/1/2004	62	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Baz Nursing & Rehabilitation Center, LLC	1/1/2005	64	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Carmel Healthcare Management, Inc.	3/1/2005	115	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Melbaer Healthcare, Inc. dba The Am Nursing Home	3/1/2005	115	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Mulberry Health & Retirement Community, Inc.	3/1/2005	157	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Leavenworth Health & Rehabilitation Center	3/1/2005	40	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Leavenworth Health & Retirement Community, Inc.	3/1/2005	114	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Health & Hospital Corp of Marion County - Lockfield Village	3/1/2005	138	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Wellingrove Manor	3/1/2005	167	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
St. Clare Health Systems	3/1/2005	202	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Athen Healthcare Corporation	3/1/2005	112	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Quality Life Care, LLC dba Whitemarsh Health & Rehab Ctr	3/1/2005	143	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Shannons Living Care Health Facility	3/1/2005	91	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
American Senior Association of Greater Indianapolis	3/1/2005	46	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
McClellan & Sons, Inc.	3/1/2005	85	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
McClellan & Sons, Inc.	3/1/2005	0	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Baldwin Village Investors, LLC dba Nursing Home	3/1/2005	109	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Baldwin Village Investors, LLC dba Rehabilitation Care	3/1/2005	0	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Prairie Providers, Inc., dba Braeburn Village Health Care	3/1/2005	30	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Business Support Services, Inc.	3/1/2005	186	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Recovery Health Services, Inc., dba Bryon Health Center	3/1/2005	816	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
CoxDan & Associates, Inc.	3/1/2005	191	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Chaverley of Knightville Investors, LLC	3/1/2005	798	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Community Villages, Inc.	3/1/2005	46	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Community Villages, Inc.	3/1/2005	106	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Dove Nursing & Rehabilitation Center, LLC	3/1/2005	182	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Dove Nursing & Rehabilitation Center, LLC	3/1/2005	151	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Kent Lake Nursing & Rehabilitation Center, LLC	3/1/2005	160	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
The Indianapolis Jewish Home, Inc.	3/1/2005	190	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Kendallville Manor Investor, LLC	3/1/2005	60	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Lake Court Nursing & Rehabilitation Center, LLC	3/1/2005	117	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Lakeview Manor, Inc.	3/1/2005	187	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Lake Park Residential Care, Inc.	3/1/2005	0	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Manitowoc Nursing Home, Inc.	3/1/2005	131	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Northside Nursing & Rehabilitation Center, LLC	3/1/2005	71	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Overbrook Manor Investors, LLC	3/1/2005	150	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Overbrook Manor Investors, LLC dba The Foothills Continual Level of Care & Rehab	3/1/2005	68	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	119	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	0	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	80	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	99	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	138	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	22	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	60	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	77	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	56	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	0	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	205	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	21	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	85	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	25	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	614	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	1,522	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%
Parkview Residential Community	3/1/2005	1,741	0	0	0	0	0	100%	55%	30%	25%	14	128	128	100.0%

Exhibit 3  
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Indiana Pacific Compensation Fund Market Conduct Beam of Mutual Insurance Group Division of Rate Associate with Independent Living Beds															
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Named Insured	Polic Number	Quoted Policy Effective Date	State	Intermediate Care	Residential Care	Assisted Living	Independent Living	Care	Care	Care	Care	Residential Care	Assisted Living	Independent Living	Portion of Exposure From Independent Living Bed
Trinity Mill Pond Health Campus	PLGL-IN-46-001087	5/25/2005	08	0	0	40	0	100%	55%	30%	30%	25%	25%	25%	100.0%
Tribes - St. Andrews Health Campus	PLGL-IN-46-001087	6/1/2005	0	0	0	40	0	100%	55%	30%	30%	25%	25%	25%	100.0%
Simeon's Loving Care Health Facility	PLGL-IN-46-001079	9/1/2005	68	0	0	83	0	100%	55%	30%	30%	25%	25%	25%	100.0%
Oak Grove Christian Retirement Village, Inc.	PLGL-IN-46-001079	8/1/2005	46	0	0	40	0	100%	55%	30%	30%	25%	25%	25%	100.0%
Harrison Healthcare Corporation, Inc. (Amesbury Village) Retirement Community	PLGL-IN-46-001029	3/1/2005	41	0	0	44	0	100%	55%	30%	30%	25%	25%	25%	100.0%
Fallen Globe Management, LLC (the Shamrock Facilities	PLGL-IN-46-001035	4/22/2005	151	0	0	79	102	100%	55%	30%	30%	25%	25%	46	100.0%
Arthur Consultation Services, Inc.	PLGL-IN-46-001032	4/21/2005	0	0	0	85	0	100%	55%	30%	30%	25%	25%	54	100.0%
Steven L. Daine's Lakeside Health Care Center	PLGL-IN-46-001073	5/1/2005	37	0	0	9	0	100%	55%	30%	30%	25%	25%	26	87.3%
Cambridge Manor, LLC	PLGL-IN-46-001089	7/1/2005	125	0	0	0	0	100%	55%	30%	30%	25%	25%	0	100.0%
Oak Park Health Center	PLGL-IN-46-001074	7/1/2005	89	0	0	22	0	100%	55%	30%	30%	25%	25%	37	100.0%
Yankee Lake, Inc.	PLGL-IN-46-001078	9/1/2005	95	0	0	0	0	100%	55%	30%	30%	25%	25%	125	100.0%
McCann Management Corporation (the Westpark Healthcare Angel Care & Rehabilitation Center)	PLGL-IN-46-001080	9/1/2005	89	0	0	0	0	100%	55%	30%	30%	25%	25%	95	100.0%
D&M Healthcare, Inc. (the Wadkin Health Care Home	PLGL-IN-46-001082	10/7/2005	59	0	0	0	0	100%	55%	30%	30%	25%	25%	89	100.0%
Heritage Health Care Group, LLC	PLGL-IN-46-001081	10/7/2005	79	0	0	0	0	100%	55%	30%	30%	25%	25%	50	100.0%
Starlight Health Care Center, LLC	PLGL-IN-46-001083	10/27/2005	490	0	0	0	0	100%	55%	30%	30%	25%	25%	79	100.0%
Meadow Lake of Moneeville, LLC	PLGL-IN-46-001085	1/2/2006	40	0	0	0	0	100%	55%	30%	30%	25%	25%	490	100.0%
Meadow Lake - Gables, Inc.	PLGL-IN-46-001087	2/1/2006	111	0	0	26	0	100%	55%	30%	30%	25%	25%	40	100.0%
Meadow Lake - The Gables, Inc. (the Meadow Lake & Clubhouse)	PLGL-IN-46-001087	2/1/2006	0	0	0	0	0	100%	55%	30%	30%	25%	25%	119	100.0%
McMeadow Lakes I and II, Inc. (the Garden Homes & Clubhouse)	PLGL-IN-46-001087	2/2/2006	0	0	0	0	0	100%	55%	30%	30%	25%	25%	8	100.0%
One Grove Christian Retirement Village, Inc.	PLGL-IN-46-001087	7/27/2006	0	0	0	0	0	100%	55%	30%	30%	25%	25%	2	0
Clark Nursing & Rehabilitation Center, LLC	PLGL-IN-46-001048	3/1/2006	41	0	0	0	0	100%	55%	30%	30%	25%	25%	3	0
Nevada Health Care and Residential Center, Inc.	PLGL-IN-46-001048	3/1/2006	115	0	0	44	0	100%	55%	30%	30%	25%	25%	54	100.0%
Mulberry Community Health & Retirement Community, Inc.	PLGL-IN-46-001027	3/1/2006	114	0	0	0	0	100%	55%	30%	30%	25%	25%	115	100.0%
Platinum Health & Rehabilitation Center, LLC	PLGL-IN-46-001025	3/1/2006	152	0	0	0	0	100%	55%	30%	30%	25%	25%	114	100.0%
Platinum Health & Rehabilitation Center, LLC	PLGL-IN-46-001025	3/1/2006	0	0	0	14	0	100%	55%	30%	30%	25%	25%	156	100.0%
Caron Health Management, Inc.	PLGL-IN-46-001041	3/1/2006	0	0	0	0	0	100%	55%	30%	30%	25%	25%	0	0.0%
ResCare Nursing Home, Inc.	PLGL-IN-46-001087	3/1/2006	168	0	0	0	0	100%	55%	30%	30%	25%	25%	167	100.0%
Wellington Manor Investors, LLC	PLGL-IN-46-001022	3/1/2006	115	0	0	0	0	100%	55%	30%	30%	25%	25%	190	100.0%
St. Clair Darden Health System, Inc., dba Healthwin	PLGL-IN-46-001060	3/1/2006	112	0	0	0	0	100%	55%	30%	30%	25%	25%	115	100.0%
Alpha Home Association of Greater Indianapolis, Inc.	PLGL-IN-46-001038	3/1/2006	143	0	0	0	0	100%	55%	30%	30%	25%	25%	40	100.0%
Amberwood Senior Communities, Inc.	PLGL-IN-46-001001	3/1/2006	86	0	0	7	0	100%	55%	30%	30%	25%	25%	112	100.0%
Bellmont Village Investors, LLC	PLGL-IN-46-001056	3/1/2006	0	0	0	0	0	100%	55%	30%	30%	25%	25%	135	100.0%
Bethany Village Investors, LLC	PLGL-IN-46-001057	3/1/2006	100	0	0	0	0	100%	55%	30%	30%	25%	25%	136	100.0%
Premier Support Services, Inc., dba The Shadrack Village Health Care Business	PLGL-IN-46-001005	3/1/2006	130	0	0	0	0	100%	55%	30%	30%	25%	25%	100	100.0%
Reawerty Health Services, Inc., dba The Byras Health Center	PLGL-IN-46-001066	3/1/2006	166	0	0	24	0	100%	55%	30%	30%	25%	25%	193	100.0%
The Indianapolis Asyleum Home, Inc., dba The Asyleum	PLGL-IN-46-001063	3/1/2006	369	0	0	0	0	100%	55%	30%	30%	25%	25%	369	100.0%
Lakefront Operating Group, Inc.	PLGL-IN-46-001038	3/1/2006	191	0	0	55	0	100%	55%	30%	30%	25%	25%	208	100.0%
Cityview Senior Communities, LLC	PLGL-IN-46-001056	3/1/2006	798	0	0	7	0	100%	55%	30%	30%	25%	25%	876	97.0%
Lakeview Manor, Inc.	PLGL-IN-46-001041	3/1/2006	86	0	0	0	0	100%	55%	30%	30%	25%	25%	149	100.0%
Care and Assistance, Inc. - Duke Facility	PLGL-IN-46-001040	3/1/2006	187	0	0	0	0	100%	55%	30%	30%	25%	25%	117	100.0%
Landmark Nursing & Rehabilitation Center, LLC (Shelbyfield Manor)	PLGL-IN-46-001019	3/1/2006	182	0	0	0	0	100%	55%	30%	30%	25%	25%	187	100.0%
Landmark Nursing & Rehabilitation Center, LLC (Robert E. Lee Fracture)	PLGL-IN-46-001034	3/1/2006	9	0	0	131	0	100%	55%	30%	30%	25%	25%	39	37
Landmark Nursing & Rehabilitation Center, LLC (Shelbyfield Manor)	PLGL-IN-46-001021	3/1/2006	122	0	0	29	0	100%	55%	30%	30%	25%	25%	131	100.0%
Landmark Nursing & Rehabilitation Center, LLC (The Asyleum)	PLGL-IN-46-001053	3/1/2006	150	0	0	0	0	100%	55%	30%	30%	25%	25%	151	100.0%
Quarantine Manor Investors, LLC	PLGL-IN-46-001016	3/1/2006	171	0	0	0	0	100%	55%	30%	30%	25%	25%	150	100.0%
ImpressCare LLC (the Phoenix) Clinical Level of Care & Rehab	PLGL-IN-46-001051	3/1/2006	117	0	0	0	0	100%	55%	30%	30%	25%	25%	60	100.0%
Kathleen's Retirement Community	PLGL-IN-46-001017	3/1/2006	187	0	0	0	0	100%	55%	30%	30%	25%	25%	121	100.0%
Lake Park Residential Care, Inc.	PLGL-IN-46-001032	3/1/2006	11	0	0	0	0	100%	55%	30%	30%	25%	25%	11	100.0%
Landmark Nursing & Rehabilitation Center (Robert E. Lee Fracture)	PLGL-IN-46-001019	3/1/2006	0	0	0	0	0	100%	55%	30%	30%	25%	25%	0	0
Northgate Nursing Home, Inc.	PLGL-IN-46-001034	3/1/2006	10	0	0	0	0	100%	55%	30%	30%	25%	25%	2	16.1%
Scholar's Nursing & Rehabilitation Center	PLGL-IN-46-001014	3/1/2006	138	0	0	0	0	100%	55%	30%	30%	25%	25%	80	100.0%
Springfield HealthCare, Inc.	PLGL-IN-46-001063	3/1/2006	72	0	0	0	0	100%	55%	30%	30%	25%	25%	138	100.0%
Summit Place West, Inc.	PLGL-IN-46-001037	3/1/2006	77	0	0	0	0	100%	55%	30%	30%	25%	25%	77	100.0%
Ke Management Group of Oaklawn City (Grand Samaritan Home)	PLGL-IN-46-001039	3/1/2006	9	0	0	56	0	100%	55%	30%	30%	25%	25%	17	100.0%
Ke Management Group of Oaklawn City (Grand Samaritan Home)	PLGL-IN-46-001059	3/1/2006	105	0	0	0	0	100%	55%	30%	30%	25%	25%	105	100.0%

Exhibit 3  
Page 4 of 4

Indiana Patients Compensation Fund  
Market Compt Exam of MidWest Insurance Group  
Portion of Rate Associated with Independent Living Beds

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Mitigation Policy	Effective Date	Capital Policy	Stilled Care	Intermediate Care	Rental Care	Auxiliary Living	Independent Living	Skilled Care	Intermediate Care	Rental Care	Auxiliary Living	Independent Living	Weighted Exposures Relative to Skilled Care Est Type <sup>1</sup>	Weighted Exposures Relative to Skilled Care Est Type <sup>2</sup>	Portion of Exposure From Independent Living Bed <sup>3</sup>
PGLI-NH46-0001055	3/1/2005	PGLI-NH46-0001044	3/1/2005	394	0	0	81	21	10/0%	55%	30%	25%	168	168	100.0%
PGLI-NH46-0001061	3/1/2005	PGLI-NH46-0001061	3/1/2005	94	0	0	0	0	10/0%	55%	30%	25%	418	98	98.0%
PGLI-NH46-0001031	3/1/2005	PGLI-NH46-0001031	3/1/2005	66	0	0	0	0	10/0%	55%	30%	25%	168	168	100.0%
PGLI-NH46-0001043	3/1/2005	PGLI-NH46-0001043	3/1/2005	0	0	0	0	0	10/0%	55%	30%	25%	94	94	100.0%
PGLI-NH46-0001071	3/1/2005	PGLI-NH46-0001071	3/1/2005	95	0	0	0	0	10/0%	55%	30%	25%	60	60	100.0%
PGLI-NH46-0001052	3/1/2005	PGLI-NH46-0001052	3/1/2005	0	0	0	0	0	10/0%	55%	30%	25%	310	310	100.0%
PGLI-NH46-0001000	3/1/2005	PGLI-NH46-0001000	3/1/2005	54	0	0	85	0	10/0%	55%	30%	25%	15	15	100.0%
PGLI-NH46-0001064	3/1/2005	PGLI-NH46-0001064	3/1/2005	56	0	0	0	0	10/0%	55%	30%	25%	101	101	100.0%
PGLI-NH46-0001055	3/1/2005	PGLI-NH46-0001055	3/1/2005	62	0	0	0	0	10/0%	55%	30%	25%	26	26	100.0%
PGLI-NH46-0001031	3/1/2005	PGLI-NH46-0001031	3/1/2005	64	0	0	0	0	10/0%	55%	30%	25%	62	62	100.0%
PGLI-NH46-0001069	3/1/2005	PGLI-NH46-0001069	3/1/2005	25	0	0	0	0	10/0%	55%	30%	25%	64	64	100.0%
PGLI-NH46-0001068	3/1/2005	PGLI-NH46-0001068	3/1/2005	0	0	0	0	0	10/0%	55%	30%	25%	25	25	100.0%
PGLI-NH46-0001047	3/1/2005	PGLI-NH46-0001047	3/1/2005	1,727	0	0	0	20	774	20	100%	55%	0	0	0.0%
PGLI-NH46-0001047	17/5/2007	PGLI-NH46-0001047	17/5/2007	68	0	0	49	0	10/0%	55%	30%	25%	1,964	1,959	99.9%
PGLI-NH46-0001047	8/7/2007	PGLI-NH46-0001047	8/7/2007	68	0	0	49	0	10/0%	55%	30%	25%	80	80	100.0%
PGLI-NH46-0001047	7/15/2006	PGLI-NH46-0001047	7/15/2006	68	0	0	49	0	10/0%	55%	30%	25%	80	80	100.0%
PGLI-NH46-0001047	7/15/2006	PGLI-NH46-0001047	7/15/2006	68	0	0	49	0	10/0%	55%	30%	25%	80	80	100.0%
PGLI-NH46-0001035	4/22/2006	PGLI-NH46-0001035	4/22/2006	0	0	0	0	0	10/0%	55%	30%	25%	26	26	100.0%
PGLI-NH46-0001092	4/3/2006	PGLI-NH46-0001092	4/3/2006	0	0	0	0	0	10/0%	55%	30%	25%	0	0	0.0%
PGLI-NH46-0001073	6/1/2006	PGLI-NH46-0001073	6/1/2006	37	0	0	0	0	10/0%	55%	30%	25%	37	37	100.0%
PGLI-NH46-0001089	6/5/2006	PGLI-NH46-0001089	6/5/2006	150	0	0	0	0	10/0%	55%	30%	25%	150	150	100.0%
PGLI-NH46-0001089	6/5/2006	PGLI-NH46-0001089	6/5/2006	0	0	0	0	0	10/0%	55%	30%	25%	0	0	0.0%
PGLI-NH46-0001074	7/1/2006	PGLI-NH46-0001074	7/1/2006	89	0	0	0	2	10/0%	55%	30%	25%	2	2	100.0%
PGLI-NH46-0001093	7/4/2006	PGLI-NH46-0001093	7/4/2006	100	0	0	22	0	10/0%	55%	30%	25%	96	96	100.0%
PGLI-NH46-0001090	7/17/2006	PGLI-NH46-0001090	7/17/2006	16	0	0	0	0	10/0%	55%	30%	25%	46	46	100.0%
PGLI-NH46-0001078	9/1/2006	PGLI-NH46-0001078	9/1/2006	150	0	0	0	0	10/0%	55%	30%	25%	95	95	100.0%
PGLI-NH46-0001032	5/15/2006	PGLI-NH46-0001032	5/15/2006	0	0	0	0	0	10/0%	55%	30%	25%	120	120	100.0%
PGLI-NH46-0001094	3/1/2006	PGLI-NH46-0001094	3/1/2006	0	0	0	0	0	10/0%	55%	30%	25%	39	39	100.0%
PGLI-NH46-0001095	5/28/2006	PGLI-NH46-0001095	5/28/2006	0	0	0	0	0	10/0%	55%	30%	25%	34	34	100.0%
PGLI-NH46-0001080	9/1/2006	PGLI-NH46-0001080	9/1/2006	39	0	0	0	0	10/0%	55%	30%	25%	0	0	0.0%
PGLI-NH46-0001091	7/4/2006	PGLI-NH46-0001091	7/4/2006	1,922	0	0	47	25	10/0%	55%	30%	25%	1,936	1,936	100.0%
PGLI-NH46-0001091	9/15/2006	PGLI-NH46-0001091	9/15/2006	0	0	0	0	0	10/0%	55%	30%	25%	0	0	0.0%
PGLI-NH46-0001091	11/1/2006	PGLI-NH46-0001091	11/1/2006	184	0	0	0	0	10/0%	55%	30%	25%	17	17	100.0%
PGLI-NH46-0001091	12/1/2006	PGLI-NH46-0001091	12/1/2006	130	0	0	0	0	10/0%	55%	30%	25%	184	184	100.0%
PGLI-NH46-0001091	12/1/2006	PGLI-NH46-0001091	12/1/2006	64	0	0	0	0	10/0%	55%	30%	25%	130	130	100.0%
Total				16,312	0	0	7,992	3,188					39,527	38,710	

<sup>1</sup> Calculated as the crossproduct of columns (1) through (8) with column (9) through (13).

<sup>2</sup> Calculated as (14) \* (8) / (13).

<sup>3</sup> Calculated as (15) / (14).

<sup>4</sup> Both by type and available in independent living beds measured 10% independent living beds.

Note: Columns (9) through (13) are based on the Department's current training plan for nursing homes, adjusted to conform to the five waypoints outlined in columns (4) through (8).

Exhibit 4

Indiana Department of Insurance  
Patients Compensation Fund  
Professional Liability Portion Of Nursing Home Liability Rate

Indication Based on:	Indication
Texas Closed Claim Database as of 12/31/2004	92.4%
Texas St. Paul Nursing Home Rate filing effective 3/28/2000	68.0%
Indiana CNA Nursing Home Rate filing effective 8/31/2001	60.0%
Conversation with nursing home professional liability underwriter <sup>1</sup>	90.0%
Midwest Insurance Group incurred distribution as of 12/31/2005 <sup>2</sup>	95.6%
Selected Professional Liability Portion of Nursing Home Liability Rate	90.0%

<sup>1</sup> Midpoint of provided range of 85% to 95%

<sup>2</sup> See Attachment A

Exhibit 5

Indiana Patients Compensation Fund

Market Conduct Exam of Midwest Insurance Group

Reconciliation of Indiana Written Premium

<u>Year</u>	<u>Annual Statement</u>	<u>Midwest Premium</u>	<u>Difference</u>
<u>2005</u>	<u>5,908,000</u>	<u>5,872,823</u>	<u>35,177</u>

Exhibit 6

Indiana Patients Compensation Fund

Market Conduct Exam of Midwest Insurance Group

Certified Bed Comparison

Account Name	Midwest Indicated Certified Beds <sup>1</sup>	Medicare Indicated Certified Beds	Difference
Lakeview Manor, Inc.	186	184	2
Sebo's Nursing and Rehabilitation Center	138	138	0
Betz Nursing Home	115	115	0
Riverview TCU	25	25	0
Owensville Manor, LLC	68	68	0

<sup>1</sup> From premium quotations

Exhibit 7  
Page 1 of 4

Market Conduct Exam of Midwest Insurance Group					
Surcharge Reconciliation					
Policy Number	Department Provided	Midwest Provided	Surcharge Amount	Midwest Surcharge Amount	Difference
PLGL-IN-04-0001042			\$18	\$18	0
PLGL-IN-04-0001050		6,227	2,132	4,095	(4,095)
PLGL-IN-04-0001056		7,162	7,362	(400)	
PLGL-IN-04-0001002	0	11,169	(11,169)		
PLGL-IN-04-0001057	2,440	2,440	0		
PLGL-IN-04-0001058	3,250	3,250	0		
PLGL-IN-04-0001005	1,706	1,706	0		
PLGL-IN-04-0001007	518	1,036	(318)		
PLGL-IN-04-0001003	31,973	18,314	13,659		
PLGL-IN-04-0001069	0	5,336	(5,336)		
PLGL-IN-04-0001045	9,076	20,068	(10,992)		
PLGL-IN-04-0001041	4,151	4,151	0		
PLGL-IN-04-0001010	100	5,379	(5,479)		
PLGL-IN-04-0001048	1,801	1,801	0		
PLGL-IN-04-0001011	1,701	1,701	0		
PLGL-IN-04-0001012	4,377	6,984	(2,607)		
PLGL-IN-04-0001040	4,213	4,213	0		
PLGL-IN-04-0001013	3,095	3,095	0		
PLGL-IN-04-0001014	1,488	1,488	0		
PLGL-IN-04-0001049	1,613	1,613	0		
PLGL-IN-04-0001030	2,401	2,401	0		
PLGL-IN-04-0001013	1,661	1,661	0		
PLGL-IN-04-0001035	2,712	2,712	0		
PLGL-IN-04-0001062	0	6,531	(6,531)		
PLGL-IN-04-0001046	45,274	47,189	(1,915)		
PLGL-IN-04-0001024	992	992	0		
PLGL-IN-04-0001059	2,645	2,645	0		
PLGL-IN-04-0001016	2,459	2,459	0		
PLGL-IN-04-0001017	3,040	3,040	0		
PLGL-IN-04-0001009	4,039	4,039	0		
PLGL-IN-04-0001018	2,451	2,451	0		
PLGL-IN-04-0001051	1,831	1,831	0		
PLGL-IN-04-0001019	3,248	3,248	0		
PLGL-IN-04-0001020	4,066	4,066	0		
PLGL-IN-04-0001052	0	880	(880)		
PLGL-IN-04-0001021	1,760	1,760	0		
PLGL-IN-04-0001022	992	992	0		
PLGL-IN-04-0001043	8,372	8,372	0		
PLGL-IN-04-0001023	2,479	2,479	0		
PLGL-IN-04-0001025	5,207	5,207	0		
PLGL-IN-04-0001026	1,483	1,483	0		
PLGL-IN-04-0001027	1,376	1,376	0		
PLGL-IN-04-0001053	2,701	2,701	0		
PLGL-IN-04-0001028	2,361	5,949	(3,588)		
PLGL-IN-04-0001029	1,951	1,951	0		
PLGL-IN-04-0001030	1,681	1,681	0		
PLGL-IN-04-0001006	5,703	5,703	0		
PLGL-IN-04-0001031	4,709	2,350	2,350		
PLGL-IN-04-0001032	0	1,043	(1,043)		
PLGL-IN-04-0001008	6,099	6,099	0		
PLGL-IN-04-0001034	3,769	3,769	0		
PLGL-IN-04-0001004	2,455	2,455	0		
PLGL-IN-04-0001034	2,071	2,071	0		
PLGL-IN-04-0001036	1,137	1,137	0		
PLGL-IN-04-0001063	2,052	2,052	0		
PLGL-IN-04-0001037	2,472	2,472	0		
PLGL-IN-04-0001038	3,702	3,702	0		

Indiana Patients Compensation Fund  
Market Conduct Exam of Midwest Insurance Group  
Surcharge Reconciliation

Policy Number	Department	Provided	Midwest	Difference
PLGL-IN-04-0001039	SurchARGE Amount	\$1,128	1,128	0
PLGL-IN-04-0001047		50,518	45,232	15,276
PLGL-IN-04-0001055		0	2,882	(2,882)
PLGL-IN-04-0001044		0	12,141	(12,141)
PLGL-IN-04-0001060		3,166	3,166	0
PLGL-IN-04-0001061		2,058	2,058	0
PLGL-IN-04-0001064		3,322	3,322	0
PLGL-IN-04-0001065		4,119	4,119	0
PLGL-IN-04-0001033		3,217	3,717	0
PLGL-IN-04-0001035		5,750	5,750	0
PLGL-IN-04-0001037		3,850	3,850	0
PLGL-IN-04-0001048		4,600	4,600	0
PLGL-IN-04-0001010		10,110	10,810	0
PLGL-IN-04-0001022		2,000	2,000	0
PLGL-IN-04-0001027		5,700	5,700	0
PLGL-IN-04-0001025		8,020	8,020	0
PLGL-IN-04-0001041		3,400	3,350	(490)
PLGL-IN-04-0001072		10,100	10,100	0
PLGL-IN-04-0001050		5,600	5,600	0
PLGL-IN-04-0001036		7,465	7,465	0
PLGL-IN-04-0001040		285	285	0
PLGL-IN-04-0001042		4,950	4,950	0
PLGL-IN-04-0001031		2,300	737	1,543
PLGL-IN-04-0001036		0	4,695	(4,695)
PLGL-IN-04-0001001		(749)	15,270	(16,019)
PLGL-IN-04-0001056		5,000	5,000	0
PLGL-IN-04-0001057		5,200	5,200	0
PLGL-IN-04-0001058		10,260	10,260	0
PLGL-IN-04-0001006		30,633	29,169	1,464
PLGL-IN-04-0001003		11,200	11,200	0
PLGL-IN-04-0001008		33,495	41,055	(7,560)
PLGL-IN-04-0001045		4,300	4,300	0
PLGL-IN-04-0001011		10,950	10,950	0
PLGL-IN-04-0001012		9,100	9,100	0
PLGL-IN-04-0001040		6,040	6,040	0
PLGL-IN-04-0001049		6,400	6,400	0
PLGL-IN-04-0001050		7,600	7,600	0
PLGL-IN-04-0001016		2,400	2,400	0
PLGL-IN-04-0001018		4,680	4,680	0
PLGL-IN-04-0001051		9,250	9,250	0
PLGL-IN-04-0001020		3,930	3,930	0
PLGL-IN-04-0001019		3,550	3,550	0
PLGL-IN-04-0001021		6,000	6,000	0
PLGL-IN-04-0001053		3,400	3,400	0
PLGL-IN-04-0001030		5,950	6,310	(360)
PLGL-IN-04-0001017		0	2,110	(2,110)
PLGL-IN-04-0001032		4,000	4,000	0
PLGL-IN-04-0001014		3,323	3,323	0
PLGL-IN-04-0001004		5,520	5,520	0
PLGL-IN-04-0001054		3,600	3,600	0
PLGL-IN-04-0001063		2,240	2,240	0
PLGL-IN-04-0001039		5,900	5,900	0
PLGL-IN-04-0001059		6,720	6,720	0
PLGL-IN-04-0001035		19,700	24,800	(5,100)
PLGL-IN-04-0001044		4,900	4,900	0
PLGL-IN-04-0001061		7,260	7,260	0
PLGL-IN-04-0001034		3,000	3,000	0
PLGL-IN-04-0001026				

Exhibit 7  
Page 3 of 4

Market Conflict Exam of Midwest Insurance Group					
Surcharge Reconciliation					
Policy Number	Department Provided	Midwest Provided	Surcharge Amount	Surcharge Amount Provided	Difference
PLGL-IN-45-0001045			15,300	15,500	0
PLGL-IN-45-0001071			0	1,750	(1,750)
PLGL-IN-45-0001046			116,180	115,260	920
PLGL-IN-45-0001013			5,550	5,650	(100)
PLGL-IN-45-0001052			0	1,700	(1,700)
PLGL-IN-45-0001069			1,000	1,000	0
PLGL-IN-45-0001068			0	2,650	(2,650)
PLGL-IN-45-0001070			0	7,074	(7,074)
PLGL-IN-45-0001047			90,159	96,149	(6,590)
PLGL-IN-45-0001079			759	759	0
PLGL-IN-45-0001029			4,250	4,250	0
PLGL-IN-45-0001062			13,770	13,770	0
PLGL-IN-45-0001034			4,250	4,250	0
PLGL-IN-45-0001002			0	25,797	(25,797)
PLGL-IN-45-0001073			2,035	2,035	0
PLGL-IN-45-0001069			12,630	13,069	(439)
PLGL-IN-45-0001074			6,105	6,105	0
PLGL-IN-45-0001075			5,225	5,225	0
PLGL-IN-45-0001080			4,895	4,895	0
PLGL-IN-45-0001082			0	0	0
PLGL-IN-01-0001081			3,950	3,950	0
PLGL-IN-05-0001083			24,257	24,255	2
PLGL-IN-06-0001083			0	2,204	(2,204)
PLGL-IN-06-0001087			9,245	9,245	0
PLGL-IN-06-0001029			4,191	4,191	0
PLGL-IN-06-0001048			6,325	6,425	(100)
PLGL-IN-06-0001027			6,270	6,270	0
PLGL-IN-06-0001025			8,976	9,826	(850)
PLGL-IN-06-0001041			3,740	9,185	(5,445)
PLGL-IN-06-0001010			12,496	12,496	0
PLGL-IN-06-0001005			6,325	6,325	0
PLGL-IN-06-0001022			2,200	2,200	0
PLGL-IN-06-0001060			6,160	6,160	0
PLGL-IN-06-0001038			8,173	8,173	0
PLGL-IN-06-0001001			4,730	4,730	0
PLGL-IN-06-0001026			53,326	53,326	(33,326)
PLGL-IN-06-0001057			5,300	5,300	0
PLGL-IN-06-0001058			5,720	5,720	0
PLGL-IN-06-0001006			11,287	13,233	(1,956)
PLGL-IN-06-0001003			20,295	20,495	(110)
PLGL-IN-06-0001008			12,923	13,145	(220)
PLGL-IN-06-0001045			45,870	53,319	(9,449)
PLGL-IN-06-0001011			4,730	4,730	0
PLGL-IN-06-0001040			10,010	10,283	(273)
PLGL-IN-06-0001049			8,305	8,315	(10)
PLGL-IN-06-0001050			8,884	7,629	1,175
PLGL-IN-06-0001016			10,450	10,450	0
PLGL-IN-06-0001018			3,300	3,300	0
PLGL-IN-06-0001051			6,345	6,345	(10)
PLGL-IN-06-0001020			10,235	6,904	3,381
PLGL-IN-06-0001019			2,278	2,278	0
PLGL-IN-06-0001034			7,986	8,896	(110)
PLGL-IN-06-0001021			3,905	3,905	0
PLGL-IN-06-0001053			8,250	8,360	(110)
PLGL-IN-06-0001030			3,740	3,740	0
PLGL-IN-06-0001017			6,072	6,072	0
PLGL-IN-06-0001032			2,002	2,002	(2,002)

Exhibit 7  
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Indiana Patients Compensation Fund  
Market Conduct Exam of Midwest Insurance Group  
Surcharge Reconciliation

Policy Number	Department Provided	Midwest Provided	Surcharge Amount	Difference
PLGL-IN-06-0001014		4,400	4,400	0
PLGL-IN-06-0001034		7,590	7,700	(110)
PLGL-IN-06-0001063		3,960	3,960	0
PLGL-IN-06-0001037		4,235	4,235	0
PLGL-IN-06-0001039		1,335	1,335	0
PLGL-IN-06-0001059		5,775	5,775	0
PLGL-IN-06-0001055		9,240	8,801	1,239
PLGL-IN-06-0001044		21,670	26,037	(4,367)
PLGL-IN-06-0001061		5,390	5,390	0
PLGL-IN-06-0001031		5,445	5,445	0
PLGL-IN-06-0001026		2,300	2,300	0
PLGL-IN-06-0001043		17,160	17,600	(440)
PLGL-IN-06-0001071		0	2,310	(2,310)
PLGL-IN-06-0001013		6,105	6,105	0
PLGL-IN-06-0001052		0	3,601	(3,601)
PLGL-IN-06-0001060		2,970	2,970	0
PLGL-IN-06-0001064		3,080	3,080	0
PLGL-IN-06-0001065		3,410	3,410	0
PLGL-IN-06-0001032		1,520	3,062	458
PLGL-IN-06-0001069		1,370	1,395	(220)
PLGL-IN-06-0001068		0	2,404	(2,404)
PLGL-IN-06-0001047		123,216	128,675	(5,459)
PLGL-IN-06-0001035		2,010	2,010	0
PLGL-IN-06-0001002		0	32,169	(32,169)
PLGL-IN-06-0001073		1,862	1,862	0
PLGL-IN-06-0001089		0	8,699	(8,699)
PLGL-IN-06-0001074		5,363	5,363	0
PLGL-IN-06-0001093		5,005	5,005	0
PLGL-IN-06-0001090		2,634	2,634	0
PLGL-IN-06-0001078		5,225	5,225	0
PLGL-IN-06-0001092		8,470	8,690	(220)
PLGL-IN-06-0001094		5,764	5,764	0
PLGL-IN-06-0001095		5,962	5,962	0
PLGL-IN-06-0001080		4,895	4,895	0
PLGL-IN-06-0001091		24,985	118,174	(123,189)
		1,566,907	1,832,452	(265,945)

Indiana Patients Compensation Fund

Market Conduct Exam of Midwest Insurance Group

Midwest Insurance Group - Data as of 12/31/2005

Nursing Home Professional and General Liability

Claim #	Accident Date	Report Date	Claim Type	Open/Closed	Incurred Loss	Incurred ALAE	Total Incurred
284	01/02/03	09/10/04	PL	O	40,000	25,000	65,000
287	04/17/04	09/21/04	PL	C	0	0	0
288	09/07/04	09/21/04	GL	C	0	0	0
290	09/17/04	09/23/04	PL	C	0	0	0
293	09/24/05	09/28/05	GL	C	0	0	0
295	09/01/04	10/05/04	PL	C	187,001	16,529	203,530
300	07/16/04	10/19/04	PL	O	0	0	0
301	10/09/04	10/18/04	GL	C	0	0	0
302	09/25/04	10/22/04	GL	O	10,000	3,000	13,000
303	10/05/04	10/25/04	PL	C	0	0	0
304	06/01/04	10/28/04	GL	C	0	0	0
309	10/23/04	10/29/04	PL	C	0	0	0
325	10/06/03	11/19/04	PL	O	187,001	10,000	197,001
326	11/18/04	11/30/04	PL	O	0	0	0
327	01/16/04	12/06/04	PL	O	187,001	75,000	262,001
328	01/30/03	12/06/04	PL	O	25,000	16,069	41,069
330	12/07/04	12/07/04	PL	C	0	133	133
331	12/25/02	12/08/04	PL	O	15,000	20,000	35,000
332	05/12/04	12/07/04	PL	O	25,000	15,000	40,000
334	10/16/04	12/09/04	GL	C	36,500	327	36,827
337	12/18/04	12/22/04	PL	C	0	0	0
343	12/25/04	12/28/04	GL	C	0	3,542	3,542
344	09/24/04	12/30/04	PL	O	25,000	21,465	46,465
345	03/11/04	12/30/04	PL	O	90,000	25,000	115,000
346	08/23/04	12/31/04	GL	C	0	0	0
348	12/30/04	12/31/04	GL	C	0	0	0
353	12/29/04	01/06/05	PL	C	60,000	6,970	66,970
358	12/21/04	01/06/05	GL	O	30,000	3,000	33,000
361	01/09/05	01/13/05	GL	C	0	0	0
365	01/01/03	01/18/05	PL	C	0	1,793	1,793
369	01/16/05	01/24/05	GL	C	0	0	0
370	01/24/05	01/24/05	GL	C	0	0	0
372	05/22/04	02/01/05	PL	C	1,000	3,000	4,000
375	01/28/05	02/04/05	GL	C	0	0	0
379	01/25/03	02/23/05	GL	C	0	0	0
387	11/20/03	03/15/05	PL	O	5,000	10,000	15,000
388	03/03/05	03/22/05	PL	O	10,000	15,000	25,000
389	09/24/04	03/18/05	PL	O	0	0	0
390	03/15/05	03/24/05	GL	C	0	0	0
391	12/08/04						

Indiana Patients Compensation Fund

Market Conduct Exam of Midwest Insurance Group

Midwest Insurance Group - Data as of 12/31/2005

Nursing Home Professional and General Liability

Claim #	Accident Date	Report Date	Claim Type	Open/Closed	Incurred Loss	Incurred ALAE	Total Incurred
394	06/15/03	03/24/05	PL	C	0	53	53
399	03/27/05	03/29/05	PL	C	0	0	0
400	03/21/03	04/01/05	PL	C	0	286	286
403	01/07/05	04/04/05	GL	C	18,500	0	18,500
404	01/31/04	04/05/05	PL	O	187,001	40,000	227,001
405	03/27/05	04/04/05	GL	C	0	0	0
406	03/06/05	04/05/05	PL	C	0	0	0
408	04/03/05	04/07/05	GL	C	0	0	0
410	03/09/05	04/08/05	PL	C	0	0	0
418	05/01/03	04/18/05	PL	O	25,000	35,000	60,000
424	12/29/04	05/02/05	PL	O	5,000	10,000	15,000
426	07/04/03	05/05/05	PL	C	0	0	0
429	09/26/03	05/09/05	PL	O	40,000	50,000	90,000
430	09/26/03	05/09/05	PL	C	0	0	0
431	07/03/03	05/13/05	PL	O	10,000	25,000	35,000
436	05/12/04	12/07/04	PL	C	0	0	0
438	03/16/05	05/17/05	PL	O	187,001	25,000	212,001
439	05/12/05	05/17/05	PL	C	0	0	0
441	05/07/05	05/25/05	PL	C	0	0	0
443	05/15/05	05/26/05	GL	O	3,500	3,000	6,500
447	12/04/03	05/31/05	PL	O	25,000	45,000	70,000
449	01/30/03	12/06/04	PL	C	0	0	0
450	09/24/04	12/30/04	PL	C	0	0	0
452	09/24/04	03/18/05	PL	C	0	0	0
457	11/26/03	06/25/05	PL	O	187,001	35,000	222,001
465	04/24/04	07/01/05	PL	O	60,000	35,000	95,000
466	07/31/03	07/07/05	PL	O	50,000	35,000	85,000
469	07/08/05	07/08/05	PL	C	0	0	0
473	12/15/03	07/15/05	PL	C	0	0	0
481	05/20/05	07/19/05	PL	O	5,000	10,000	15,000
482	06/30/05	07/19/05	PL	O	5,000	10,000	15,000
484	05/31/04	07/25/05	PL	O	1,000	3,000	4,000
488	08/09/05	08/10/05	GL	C	0	0	0
492	11/22/03	08/02/05	PL	O	5,000	10,000	15,000
496	08/21/05	08/30/05	GL	O	1,000	3,000	4,000
497	08/11/05	08/30/05	GL	O	0	0	0
499	05/06/05	09/01/05	PL	O	1,000	3,000	4,000
500	07/09/05	08/31/05	PL	O	5,000	10,000	15,000
504	03/28/04	09/15/05	PL	O	5,000	10,000	15,000
507	09/08/03	09/20/05	PL	O	5,000	10,000	15,000